

# PAPER MONEY

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SOCIETY OF PAPER MONEY COLLECTORS



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explains note numbering

**Joshua  
Herbstman**

chronicles joys  
of bond collecting

**Fred Schwan  
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take up 'special Army  
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# Paper Money

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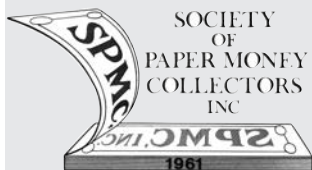
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# Society of Paper Money Collectors

The Society of Paper Money Collectors was organized in 1961 and incorporated



in 1964 as a non-profit organization under the laws of the District of Columbia. It is affiliated with the ANA. The annual SPMC meeting is held in June at the Memphis International Paper Money Show. Up-to-date information about the SPMC, including its bylaws and activities can be found on its web site [www.spmc.org](http://www.spmc.org). SPMC does not endorse any company, dealer, or auction house.

**MEMBERSHIP—REGULAR and LIFE.** Applicants must be at least 18 years of age and of good moral character. Members of the ANA or other recognized numismatic societies are eligible for membership; other applicants should be sponsored by an SPMC member or provide suitable references.

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signed by a parent or guardian. Junior membership numbers will be preceded by the letter "j," which will be removed upon notification to the Secretary that the member has reached 18 years of age. Junior members are not eligible to hold office or vote.

**DUES—Annual dues** are \$39. Members in Canada and Mexico should are \$45 to cover postage; members throughout the rest of the world are \$60. Life membership — payable in installments within one year is \$800, \$900 for Canada and Mexico, and \$1,000 elsewhere. The Society has dispensed with issuing annual membership cards, but paid up members may obtain one from the Secretary for an SASE (self-addressed, stamped envelope).

Memberships for all members who joined the Society prior to January 2010 are on a calendar year basis. Dues renewals are due each December. Memberships for those who joined since January 2010 are on an annual year basis, for example March to March or June-June. These renewals are due before expiration date. Renewal envelopes appear in a fall issue of *Paper Money*. Checks should be sent to the Secretary. ♦

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# The Rebel Who Issued Obsolete Currency

By Richard Frey

**D**URING THE 19TH CENTURY HUNDREDS OF BANKS, BUSINESSES, and local governments issued their own paper money to facilitate commerce in the absence of U.S. government currency. There are interesting stories connected with many of these issuers, but perhaps none more interesting than that of a businessman turned Confederate States Army officer from a remote section of Florida.

Today Florida is, after Texas, the most populous of the states that formed the Confederate States of America, but in 1860 it was the least populous. At the time that Florida seceded from the Union it had a population of about 140,000 people, of whom about 61,000 were slaves and about 80,000 free. Incredibly, Florida sent about 15,000 men into Confederate service, the highest percentage of its white population of any state.

Approximately 80% of the population lived along a thin wedge along the northern border with Georgia and Alabama, with the vast remainder of the state being a remote wilderness with a few small forts and settlements. One of these settlements was Orange Springs in the north-central part of the state near present-day Ocala. It had been founded almost 20 years earlier by a South Carolina-born (1809), Tennessee raised man who first came to Florida in the 1830s as a soldier in the Second Seminole War and decided to live here.

That man was John W. Pearson who, in partnership with David Levy (later David Levy Yulee, a U.S. and C.S.A. Senator from Florida) obtained the deed to the land along the Oklawaha River that contained the mineral-rich Orange Springs. As Orange Springs became a popular health resort, Pearson went on to develop a wide range of successful enterprises in the area, including a hotel, machine shop, grist mill, sawmill, furniture shop and plantations. On his land holdings he primarily raised cotton and cattle, utilizing about twenty slaves in those endeavors.

John Pearson prospered during the 1850s and became a leading citizen in the region, but he never indicated any interest in political involvement. Like the vast majority of white southerners at that time, Pearson was a Democrat and he had many important political friends such as Yulee, but the only office he ever sought was that of mayor of Orange Springs.

As a successful businessman he had occasion to travel to other parts of the country, and during an 1860 trip to the north he became convinced that war was on the horizon. On his return south he stopped in Charleston, South Carolina where he purchased 100 Colt revolvers and 125 muskets. Once back in Florida he raised a militia company, the Oklawaha Rangers, which elected him Captain. The unit contained 125 men, and all were armed by Pearson with the weapons he had purchased in Charleston. He was a serious, disciplined man who only wanted the best men he could find, and by limiting his company to 125 he was able to be selective in his recruitment.

In the spring of 1861, after Florida's secession (Florida was the third state to secede, doing so on Jan. 10th) Pearson offered his company to the state. Gov. Perry sent them to Fernandina to assist in guarding against a federal incursion. After the Confederates evacuated Fernandina the Oklawaha Rangers were sent to various locations in mid-Florida. While they were at Clay Landing he sent the smoothbore rifles he had purchased for his men to his machine shop in Orange

Springs to have them rifled. This circular-grooving of the barrels made them much more accurate, especially at longer ranges. These weapons would serve them well in the battles to come. May of 1862 saw the Oklawaha Rangers inducted into the Confederate States Army as an independent company. Once again, Pearson was elected Captain.

During these turbulent times Pearson continued to operate his various business enterprises in Orange Springs, and still spent time there whenever possible. Because the lack of circulating currency at that time greatly hindered commerce, Pearson began issuing his own scrip in 1862. These rather crude notes were generally printed on the reverse of other notes or bonds in six denominations from 10¢ to \$2. Because they carried several different small vignettes and types there are about three dozen different varieties known at present. A considerable number of these notes survive, almost all being highly circulated, but no collector has all the varieties. While not common, some are occasionally offered for sale to collectors.



A sampling of J.W. Pearson's Civil War scrip. (Author's collection)

While these scrip notes were being circulated the war raged on, with Pearson's involvement growing. For much of 1862 and 1863 the Oklawaha Rangers were stationed at Ft. Brooke (Tampa), where they fought several battles with Union naval forces. In October 1863 the Rangers became Company B of the Sixth Florida Infantry. Months later, on February 20, 1864, they played a pivotal role in the Confederate victory at Olustee, the largest Civil War battle fought in Florida.

In April 1864 the Sixth Florida and several independent companies were merged to form the Ninth Florida Regiment and Pearson was appointed Lt. Colonel. The following month virtually all CSA troops in Florida were ordered to Virginia to support Gen. Robert E. Lee and his Army of Northern Virginia. They were incorporated into what remained of Gen. Edward A. Perry's Florida Brigade, then under the leadership of fellow Floridian Joseph Finegan who was replacing the wounded Perry.

Their first action in Virginia was at Totopotomoy Creek where Pearson

was wounded. He was sent to Howard Grove Hospital in Richmond where he spent two months. During his absence his men fought bloody battles at Cold Harbor and around Petersburg. After Pearson's return they continued fighting in the Petersburg area where, on August 21, 1864 they were engaged in charging Union lines at the Weldon Railroad, resulting in serious losses to the Brigade. Among them was the serious wounding of Lt. Col. John W. Pearson. His condition was so serious that he resigned his commission three days later and attempted to return home. He never made it, succumbing to his wounds at Augusta, Georgia on Sept. 30.



**Lt. Col. John W. Pearson, CSA**

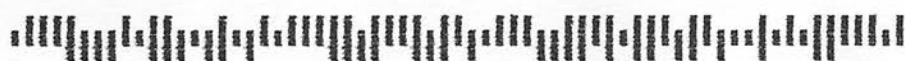
Despite the loss of their leader, the remnants of Pearson's men fought on until the end. On April 9, 1865, at Appomattox Court House, Virginia, the last of the Oklawaha Rangers surrendered. There were only two officers and seventeen men left on that historic day. Today John Pearson is remembered by a monument at Orange Springs, while he remains buried in Augusta.

The vast majority of obsolete currency issues during the War Between the States were made by businessmen who spent those years comfortably ensconced in their homes and offices far from the battlefields. John W. Pearson was not such a man. A fervent believer in secession, he gave his fortune, his blood, and even his life for his country. ❖

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You may select the project that your donation will help fund, or donate to the general SPMC treasury. SPMC thanks you for your generosity. Donations will be recognized in a future issue of *Paper Money*, or you may choose to remain anonymous.

## Correction:

In the last issue of *Paper Money*, the editor mis-identified the lady seated next to him in the photograph on page 386. Past president Ron Horstman reminded me of her identity recently. Of course, she is Ann Moriarity. The editor apologizes to Ann for his error.

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# Bearer, Bearer on the Wall...

*Scripophily, and the joys (and frustrations)  
of collecting U.S. Treasury bonds*

by Joshua Herbstman

FOR THOSE OF YOU WHO COLLECT OR AT least appreciate old stocks and bonds, (scripophily being the term of art here), you will understand what I am about to say: There is something impressive about holding an old bearer bond in your hands. It evokes rich imagery of a yesteryear; the great steam-powered locomotives pushing our boundaries west, the marble-floored banks of Wall Street that were the palaces of American finance, even an image of Jay Gatsby himself.

I realize that many in the larger numismatic universe relegate scripophily as just a far-off moon populated by obscure ephemera collectors. After all, it is rare currency that makes the hobby's front page news. The 1913 Liberty Head Nickels are the Angelina Jolies of the coin world. And how often do we see Heritage and Stacks prominently feature select auctions of choice paper money; notes with known populations in the single digits fetching five, six, and seven figure sums. Even our second cousins once-removed in philately have their Inverted Jennys and Black Penny rarities. Stocks and bonds are almost never a feature attraction.

Yet for those of us involved in scripophily, and who in particular have a penchant for U.S. debentures, there is an ever-present sense of bewilderment. The rules of rarity do not exactly work in our small world. There is an aesthetic in our hobby that seemingly goes unnoticed by just about everyone else. And even as our bonds share a similar DNA with coinage and currency, there is a vast disconnect when it comes to price and prominence, and moreover, interest.

## The beginnings of a hobby...

To be sure, the vast majority of stocks and bonds floating around the collector universe are by no means rare whatsoever. The pieces one usually finds in scripophily catalogs and collections have no negotiable value, and are usually available to meet the demands of most collectors. Old, yes. Beautifully engraved, absolutely. Rare by any means- not so much.

As a quick background, these securities were issued by both private and public entities to finance everything from the railroads of our manifest destiny to the coffers of the short-lived Confederacy. They were, like the securities of our modern age, the records of an investment; stocks certificates representing an equity ownership, bonds representing a debenture of a various priority.

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But why are there so many of these things floating around today? One simple answer: failure. Many railroads never got built. The South did not win. And nations throughout history have decided, often with the nudge of a little revolution, to simply stop paying on their sovereign obligations. Investors who held these securities would (understandably) harbor hopes that their investments might one day recover, usually to no avail. Some companies and governments simply shutter, and all that's left is attractive but worthless paper.

Along the way, this paper began to find itself in the hands of collectors. Stock certificates were collectable because they often contained the signatures of the robber barons of old: Carnegie, Rockefeller, Wells and Fargo. Bonds, engraved by the once-many bank note companies, were often found without so much as a coupon (the regular interest payment attached to the certificate) clipped. Dealers and collectors came to find large caches of these securities being discarded from bank vaults and corporate offices alike.



1918 4.25% \$50 Second Liberty Loan Converted (Author's collection)

But as time passed, so did the opportunity to easily obtain many bonds for a collector purpose. But wait, you say. What about all of that aforementioned supply? Old bond and stock certificates are everywhere. What's so rare?

Well, remember that word failure? Here is where it matters. When you see full-couponed bearer bonds in mint condition, there is a good chance those bonds had defaulted, or were never even issued in the first place. (There were many that were made as specimen issues, or left unsigned as remainder issues). That is why these securities can be complete and pristine.

But not everything failed. Many railroads were built, and their debts were redeemed and paid in full. Some companies turned out to be worth fortunes, and made stockholders rich. And the U.S. Government paid every penny of interest and principal it has ever owed to its bond holders. Along the way, these various certificates were traded, redeemed, and subsequently destroyed, as no one at a corporate office (or federal agency) thought to save the paper for posterity.

Valuable securities remained outstanding, as some were forgotten and seemingly lost to history. A grandfather might forget to tell his grandson about the bonds hidden under the mattress. A nephew never knew about his uncle's safe deposit box. Time passed, and eventually some of these bonds were discovered by another generation, albeit sometimes in the unlikeliest of places.

Here is where much of the excitement and frustration of scripophily lies. Treasury bearer bonds are getting harder and harder to find. And what enthusiastic collector doesn't like a treasure hunt once in awhile? Take the Treasury bonds of WWI—known as the Liberty Loans. Some sixty-six million separate bonds were issued, bonds today that are in the words of Chet Krause, "about as scarce as hen's teeth!"

### The paper must go...

Our federal government has a thing against paper. I'm joking, right? Don't all bureaucracies love it? Aren't there volumes and volumes of the stuff? Even with advances in technology, who in Washington is really against paper? Well, let me rephrase the statement slightly. Our federal government has a thing against certain kinds of paper—in particular, anything that is bearer, anonymous, and has a large value assigned to it. Paper money collectors have known this for years. In the days where a loaf of bread was a nickel, you could actually get a \$10,000 note. Yet despite a 96% decrease in the value of the U.S. dollar since 1900, the largest denomination currently in circulation is the \$100 bill. This circumstance is entirely by design.

To thwart those who would engage in criminal activities, the federal government began removing notes above \$100 from circulation in 1969. The theory went that the smaller the currency's denominations, the harder it is to launder vast sums of it. And so the \$500, \$1000, \$5000, and \$10,000 bills were removed. And because of this, they achieved a wonderful status in their retirement years. They are still 100% legal tender, but they aren't in circulation, and there are no plans to ever bring them back. Such is a perfect scenario for ensuring their ongoing appeal and collectability.

Collectors in 1969 might not have exactly realized the full effect of what was occurring at the time, or the values of these large denominations would have increased sooner than they did. Thirteen years later, the government decided to go after bearer bonds in a similar fashion with something called TEFRA. The Tax Equity and Fiscal Responsibility Act was history repeating itself. For in addition to repealing adjustments in accelerated depreciation deduction, implementing a withholding tax on dividends and interest received, (along with other reforms that only a policy wonk could begin to appreciate), TEFRA spelled the end for one of the great financial instruments of American history—the bearer bond.

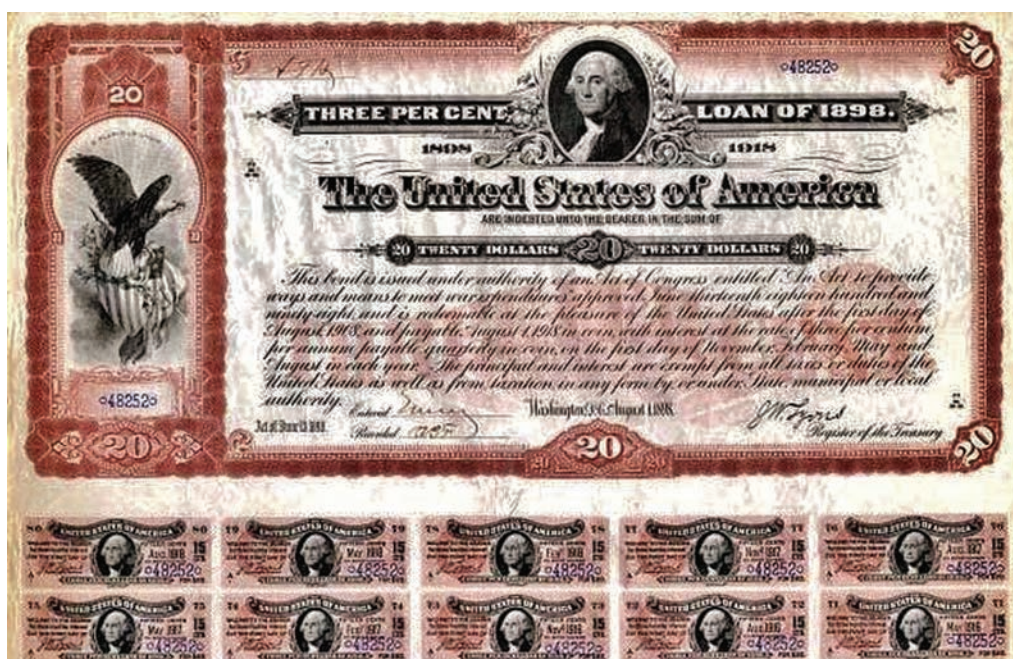
Bearer bonds were too much like their large-denomination currency cousins. Too portable, too easily transacted anonymously. Bearer instruments had to go as there was too much launderability in them. Remember the plot of the iconic Bruce Willis film *Die Hard*? Terrorists seized the corporate building not because of an ideological purpose, or to steal a hoard of gold or priceless treasure. Nope, they just wanted the \$640 million in bearer bonds stored in the company safe.

As a practical matter, the securities industry largely did not mind this change. In addition to reforming Treasury debt, municipalities and corporations would now have to follow suit. They could just as easily issue a registered security, (one that is assigned to a specific owner). And clipping and processing all those

coupon payments was a logistical expense that would also now be avoided. Besides, trading bearer securities that owners kept privately always carried with it certain risks; timely deliverability, theft, and proof of ownership are to name but a few. Nowadays in fact, the registered bond itself is also a dinosaur. And two years ago the Treasury Department decided to end the punch-card certificates of its Savings Bond program. The iconic, boring Bar Mitzvah and birthday gift of old relatives to young children that we all remember is, now itself, a virtual gift as well. Someone in D.C. really doesn't like paper.

Bonds are BEO, book-entry-only. True, one can still get a stock certificate if they care to, but increasingly this has become a discouraged practice. And with the last of the 30-year Treasury bearer bonds having matured by now, the only ones left outstanding (which weren't lost to termites or fires) are those undiscovered in shoeboxes, forgotten in desk drawers, stored in bank vaults, or withheld by collectors.

Negotiable, high-denomination, bearer financial instruments that the U.S. government has said it will never issue in paper form again. Hmm, doesn't that sound an awful lot like the fate of high-denomination currency?



1898 3% \$20 Spanish-American War bond (Author's collection)

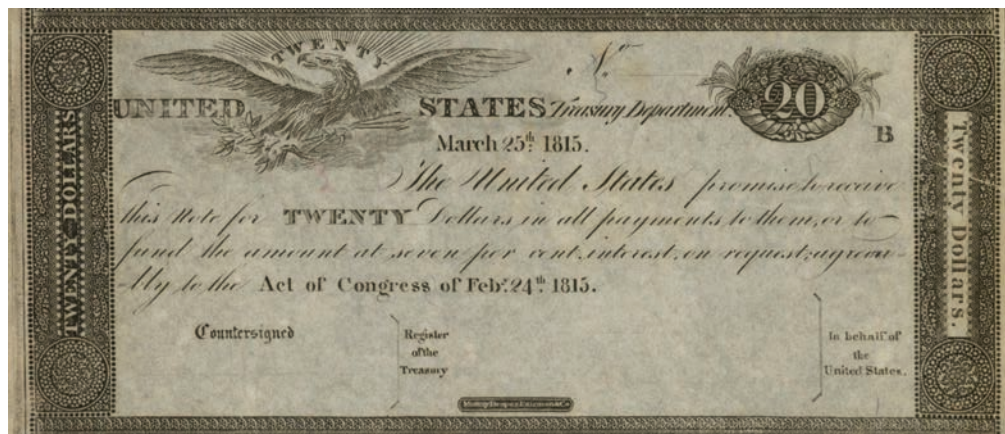
Numismatists do appreciate the rarity of certain U.S. debt instruments. And values of select notes and bonds have increased over the last 20 years. A recent Stacks auction of November 2012 brought record prices for several early treasury notes from

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the War of 1812. And collectors have been regularly paying high premiums for items such as the Compound Interest Treasury Notes of 1863 and the Refunding Certificate of 1879, notes which legitimately belong in both the currency and debt universes. In June, the only known replacement “star” \$100 Liberty Loan, a Fourth series (and complete bond), sold at auction for \$19,000.



1815 \$20 7% Treasury unsigned remainder note (Author's collection)

But apart from these examples, little attention is paid to the many other debt instruments of the United States. The inevitable question of course is why? Treasury bonds are really a big deal.

### The world runs on oil and Treasuries...

Since the establishment of America as global superpower in the 20th century, few financial instruments could be said to rival U.S. sovereign debt. In fact, the only other thing that is as important as a U.S. Treasury note in today's world is the U.S. dollar itself. And this is not hyperbole. (It has long been the case there are more dollars circulating outside of the country than circulating within our borders.)

True, there are other stable sovereign debts, from countries such as Switzerland, England, and Japan. Their paltry interest rates partially reflect not only the ongoing stability of these governments, but the confidence of the financial markets in the future repayment of their obligations. But none truly rival the importance of the T-bill, T-note, or 30-year Treasury bond. And while much has been made over our nation's S&P credit downgrade, and the seemingly endless task of fixing our collective financial house, America's sovereign debt is still the benchmark of the world. Anyone who works in the financial industry will tell you this. Individuals, small businesses, local municipalities, multinational companies, and sovereign foreign treasury departments around the globe rely on the stability of U.S. Treasury securities – sometimes more often than their own bonds or currencies. U.S. Treasuries always pay. Always.

Banks may come and go, countries may collapse or falter. But the sovereign debt of the U.S. is untouchable. (What tomorrow's dollars may buy you here or elsewhere is a completely different matter.)

### Collecting hen's teeth...

From the very first days of scripophily, a contrast in extremes existed; vast reams of securities paper on one end, scarce valuable rarities on the other, with very little in the middle. This is not the experience of our fellow numismatists.

For well over a hundred years, U.S. coins, stamps, and currency have been systematically collected. Dedicated collectors regularly and carefully preserved pristine specimens, year over, decade upon decade. True, the government began producing

commemorative coins and stamps in volumes that exceeded the needed supply, but in general, coin and paper currency was produced for a utilitarian use. And that is what makes the rare examples of it so appealing. Somebody thought to save an unused "Educational Note" of 1896, a crisp "Bison" of 1901, or an Uncirculated 1893-S Morgan silver dollar.

Bonds and stocks do not have such a history of stewardship. Holders of U.S. government debt, (whatever the year in question), were never interested in the collectability of the bonds they held. By their very nature they were meant to be "consumed." These securities were stored with the important family papers. They were cut with rusty scissors until left bare. They were handled, stapled, paper-clipped, and even marked up sometimes. They were tucked away within safety deposit boxes. They weren't a hobby.

As securities matured or were called, (the process where a bond is redeemed by its issuer earlier than the maturity date), the Treasury Department collected and destroyed the certificates submitted to it. This is not unlike how it processes the worn currency of today. If somebody hands in a \$1000 note to a bank, when it reaches the Treasury no one in our government says, "Hey! This note has a collectable value! Let's auction it off." Instead it is destroyed, never to be recirculated again.

These are the only known examples of the short coupon Second Liberty Loan Converted of 1918. A third example of a registered Second Liberty Loan Converted bond is known to exist as well. (\$100 bond courtesy of a private collection, \$50 bond image courtesy of Larry Schuffman)

It is true nowadays that people who may find a Liberty Loan or an old piece of currency often have an inclination that they have something of value. And they aren't necessarily going to rush to their local bank to redeem something from a bygone era. We have eBay, we have *Antiques Roadshow*, and in our information age, people can now do a quick Google search of anything. The internet has done wonders. But much is still unknown.

Take the issue of population figures for example. There is available information regarding original dollar amounts of every particular U.S. debt issue. And for some time, the government did track the remaining outstanding figures individ-



ually. But after a while, those individual tallies stopped, and the debt outstanding is no longer broken down. A Liberty Loan from 1918 might have been forgotten only to be later found and finally redeemed in 1971, but you wouldn't know from looking. There are just aggregate totals now.

As of April 2013, there is approximately \$96 million outstanding in Treasury bearer bonds according to the Bureau of the Public Debt. This debt has long stopped accumulating any interest, and consists of everything from war bonds from the 19th century to the 14% 30 year bonds of 1981. But that \$96 million figure is quite misleading. There is nothing even remotely close to that in face value of bonds available to collectors.

Remember those mattresses and safe deposit boxes? Well not all of those stories ended well. Grandpa sometimes forgot to tell anyone about his hidden floor safe, houses caught on fire, and sometimes owners even forgot themselves where certificates were kept. Bonds like many other great valuables... simply disappeared.

We cannot know what has been lost to history. The best approach in figuring out how many bonds may actually exist comes by talking with dealers of collectable Treasuries, networking with known collectors, and combing through the records of the main numismatic auction houses.

### **When even the pictures are scarce...**

There has been a cataloging of 19th century U.S. Treasury notes and bonds, and one book, (black & white images), by Gene Hessler, which ends with the debts of 1898. Some of these early bonds have Friedberg numbers, while others a Hessler numbering system. But there is virtually nothing cataloging the images or history of Treasury bonds from 1899 onward. Fortunately, collector and financial historian Larry Schuffman has done a great deal of research concerning the Liberty Loans of WWI. Well-known collector Chet Krause has also contributed much to this subject matter. Apart from their work there is no comprehensive volume on U.S. Treasury bonds. In an age where there is published information on almost every conceivable topic under the sun, even photographs of Treasuries (the aforementioned single most important financial instrument in the modern blah, blah, blah) are not available in any structured, systematic manner. You really do have to hunt and peck for this stuff.

True, the Treasury Department has published some information on the history of our nation's debt. But actual photographs? Forget about it. Every stamp, coin, and dollar bill this country ever officially issued has been well catalogued and illustrated, no matter how rare it is. As for the hundreds of billions in bearer bonds issued in the last two centuries, there is not a single color book out there. There is no public record of these images. And in what could only be described as an ironic punctuation to this observation, the aforementioned Hessler book is itself a bit of a rarity as it is no longer in print.

How can a collector even know what to collect, let alone appreciate? The various registered Treasury bonds of WWII are the main exception to the rule of scarcity in collecting U.S. debt. There is a reasonable enough supply so that a collector market can be readily sustained. As people have begun to see the Treasuries of that era, interest in collecting them has increased. And Fred Schwan and Joe Boling have written an excellent book on the numismatics of WWII which in part covers these bonds and their history.

Contrast this with the earlier bonds of WWI, the Liberty Loans. These debentures financed America's participation in the war, and as bonds go, are some of the most attractive notes to ever come out of the BEP. And while there is much written on the subject of the Liberty Loan program, there is to date no real photographic history of the securities themselves. Between the main auction houses and dealers, we have a rough collection of photographs of Liberty Loans. Yet there are many denominations for which there are only one or two known examples of, a fact which begs some further questions about valuation and prominence. (How many legal ten-

der items of the twentieth century can claim such small population figures?) Other Liberty Loans have known populations in the dozens, and yet regularly sell for miniscule multiples compared to U.S. currency of similar rarity. Usually scarcity leads to prominence. But by any comparable measure to other U.S. money instruments, these bonds are greatly underappreciated.

### A final note...

There is a terrific case to be made for the beauty and rarity of U.S. Treasury bonds. But there is no magic wand when it comes to the subjects of desire or value. Appreciation is not something one can inspire by fiat. You have to look at these bonds for yourself. As a collector, it is frustrating to see how these securities, which share so much with their currency cousins, have been largely ignored. They are engraved in the same meticulous tradition that has been the hallmark of America's currency. They have great colorations and beautiful designs. Many denominations share a unique spot in history with the high-domination notes of the early 20th century. And for those interested collecting real U.S. rarities, Treasury bond issues can compete with the best of them



\$1,000 14% 30 year Treasury bond of 1981 (Private collection)

When I began my collecting journey (in philately) as a very young boy, I remember hearing some advice which I could not truly appreciate at the time: Collect things that were never meant to be collected. I was a kid, and I was collecting stamps because of the colors, designs, and fascinating history within them. And as a kid, my allowance would only take my stamp album so far. After all, there were Star Wars figures to play with too! Thirty some-odd years later, there are still the same emotions of anticipation and excitement that all collectors feel when a new acquisition is added to their prized collection. We are not thinking "resale" when these new treasures come along. No, we are acting rather just like kids at heart!

Even with objectivity in mind, there is always some self-serving whenever a collector advocates for his or her hobby. With that caveat, there is a very strong to be case made for these bonds when it comes to that wisdom I heard those many years ago. They were never meant to be saved indefinitely, let alone in an Uncirculated condition. They were never produced to fill some commemorative fad. They were, as the saying goes, never meant to be collected.

Numismatics is filled with rare and wonderful treasures that allow collectors to dream big. Occasionally, some of us are able to enjoy (wallet-willing of course) the rarified air of owning something very limited indeed. But our hobby also has its glut of collectibles as well. Should one buy modern MS-70 graded coins or modern Uncirculated currency for anything other than pure enjoyment? The good old days of low mintages/issuance are gone for all of us. And at a time where “rarity” and “scarcity” are descriptions conspicuously overused, these bonds are among numismatics’ most genuine examples. They really do deserve a nod from the academy.

All of this said I suspect there are still some who may wonder why any of this should really matter?

Throughout our history, these bonds help equip and pay our fathers and grandfathers – men who repeatedly found themselves in harm’s way. When they returned home they returned to an economy that needed to grow and flourish. The government and infrastructure that fed the roaring engine of American capitalism needed debt financing. In war and peace time, bonds were purchased by average Americans who used them as instruments of thrift and saving, and yes, patriotism as well.

In our modern age it is no longer wise nor even feasible to issue sovereign bonds printed on paper. But they are an important reminder of the wisdom (and danger) posed when a government issues public debt. Contrary to a popular belief, the presses running 24/7 at the Bureau of Engraving and Printing are not the cause of an expanding monetary supply. New money is printed simply to replace the circulated currency that wears out over time. The real expansion of our money comes from the purchase of Treasury bonds by the Federal Reserve. And this debt is what occasionally preoccupies our politicians when they aren’t kissing babies or groping interns.

Book entry debt – created in the computers of our nation’s treasury, traded electronically, is increasing at an alarming rate these days. Investments move at the speed of light, and in amounts that now stagger the imagination. Perhaps it is worth remembering what debt is supposed to be used for, and how important a role it plays in a nation’s destiny. These bonds represent a connection to our shared past, a connection to our history. Indeed, it is from the Liberty Loan Acts of the First World War that the authority to issue Treasury bonds today stems from. In a paperless financial era, it is easy to forget that the credit of our great country requires something no piece of engraved bond paper can ever provide...

Trust and faith.

I would especially like to thank Lawrence D. Schuffman, MSFS, for his time and expertise in the field of U.S. Treasury history. He is a reminder that the best investment one can ever make is in that of a good friend.

### About the author

Joshua Herbstman is a portfolio manager based in Florida. He holds an MA in history from Georgia State University. He is an avid collector of U.S. bonds and currency, and is currently working on cataloging the history of U.S. Treasury securities. He can be reached at JTHerbstman@aol.com. ❖

# The Many Design Changes of Johnson House Merchant Scrip, Huntsville, Alabama

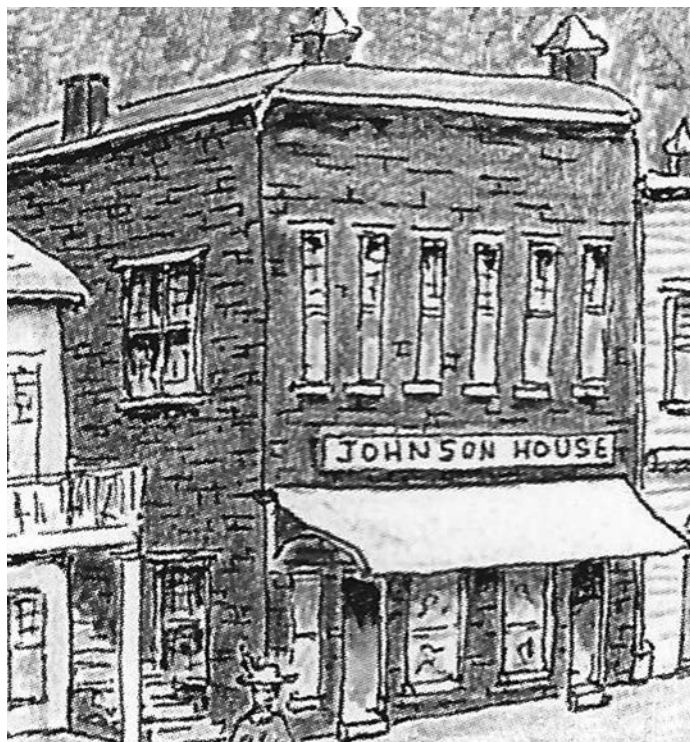
By Bill Gunther

**I**N WHAT APPEARS TO BE A RELATIVELY SHORT TIME SPAN OF TWO years (1861-1862), the Johnson House of Huntsville, AL changed the designs of its scrip four times.<sup>1</sup> These changes were not trivial in nature and represented significant visual differences among the notes. This article explores these notes and seeks to offer explanations as to why the Johnson House found it necessary to create so many versions of its “change notes.” Before we get to the notes themselves, let’s examine the nature of the Johnson House and its proprietor, Mr. Alex Johnson.

## The Johnson House

Image by Sarah Huff Fisk  
(Used with permission of  
Pinhook Publishing Company,  
Huntsville, AL)

The Johnson House was a hotel and boarding house located in Huntsville, AL. While there do not appear to be any surviving photographs of the Johnson House, there is an interesting rendition that appeared on the cover of a book on Huntsville’s history. This book, as well as the cover art, is by author Sarah Huff Fisk, and the cover portrays a scene from a Huntsville street in the 1880s.<sup>2</sup> Prominent in this scene is the Johnson House which is depicted as a two-story building with an external stairway leading to the second floor. If this is not an accurate depiction of the Johnson House, it seems to be a reasonable depiction considering the size and design. The two entrances on the ground floor suggest that they could have served as small retail establishments. This representation was likely influenced by information the author received from a prominent “restoration architect” while working on an earlier book on Huntsville in the 1820s.<sup>3</sup> It seems likely that her penchant for authentic detail would have carried over into this later book.



The City Directory of Huntsville shows that the Johnson House was located on Washington between Randolph and Clinton.<sup>4</sup> Washington Street, which ran in a north-south direction, was an important commercial street and the Johnson House was located just one block from the public

square. Fisk, in narrating a dialog between a two individuals considering the purchase of the Johnson House in 1881 states "The Johnson House is in a prime location."<sup>5</sup> The City Directory also notes that Alex Johnson, proprietor of the Johnson House, resided on Washington Street, between Clinton and Holmes which was just one block north of his establishment.

### Alex Johnson, Proprietor

Census records for 1850 show that the Johnson household contained four non-family residents (borders?) while the 1860 Census shows that there were six non-family members in the household.<sup>6</sup> These numbers would be consistent with the size of the hotel depicted by Fisk. It is interesting that the City Directory of Huntsville, printed in 1859, shows Alex Johnson residing at a location other than the Johnson House, while the Census records non-family members in his household. Presumably these individuals resided in the Johnson House, not at his residence.

Since Johnson did not live at the Johnson House it is likely that the ground floor, depicted with two entrances, contained a kitchen and dining room for the residents and perhaps a small office. The space may have also held at least one small retail store. Meals were probably offered for residents and non-residents as well. Residents would have most likely resided upstairs at the Johnson House and they came and went via the external stairway.

Alex Johnson, the proprietor of the Johnson House, was born in Kentucky in 1812, but at some point prior to 1844 had relocated to Alabama. From the 1850 U.S. Census records, we know that Mr. Johnson was married to a Sarah Johnson who was born in Alabama in about 1823. The Census records also reveal that they had three children at that time, all of whom had been born in Alabama. The oldest child, a boy named Lewis H., was 7 years of age in 1850 suggesting, but certainly does not prove, that the marriage of Alex and Sarah would have occurred in Alabama in 1842 or 1843. The other children, Phoebe H. (born about 1845) and Mary W. (born in 1847). The use of "H" in the middle names of two of children suggests that Sarah Johnson's maiden name began with an "H." The 1880 Census reveals that the "H" most likely stood for "Holding".<sup>7</sup>

According to the 1850 Census, Mr. Johnson's occupation was listed as "merchandise clerk." However, listed in his "household" with his wife and their three children were six additional individuals, all with different surnames. The occupations of these "residents" included those of carpenter (2), cabinet maker (1) and tailor (2), with one resident having no occupation listed. These individuals came from Bohemia, France, England, Pennsylvania and North Carolina, reflecting the fact that in 1850 Huntsville was a rapidly growing community and attracted individuals seeking their fame and fortune in Alabama. It would appear from this list of residents in the Johnson household that Mr. Johnson was not only a "merchandise clerk," but was also the proprietor of a hotel or boarding house in 1850! It is quite possible that Mr. Johnson ran a small merchandise store on the ground floor of what was the "Johnson House."

Ten years later, the 1860 Census reveals that the Johnson's had added a fourth child to the family (William H., who was just one month old at the time of the Census). There were four other individuals listed in the household and Mr. Johnson's occupation was now listed as "landlord." The Census records suggest that Mr. Johnson entered into the boarding house/hotel business as early as 1850, possibly as a side-line to being a merchandise clerk, but by 1860 this business had become his primary occupation.

The fortunes of Alex Johnson, like many other entrepreneurs of the time, must have taken a turn for the worse during the Civil War for by 1870 at the age of 58 he was listed, along with 21 others, as a resident in the household of Joseph Steele.<sup>8</sup> Joseph Steele's "occupation" was listed as "City Council," although having 22 non-family members in his "household" clearly suggests that he was also

engaged in running a large boarding house or hotel. The large number of residents at first suggests that this is not the Johnson House, but Fisk notes that in 1881 the Johnson House consisted of three parts, with both frame and brick construction.<sup>9</sup> If that new construction occurred during “Reconstruction” it certainly seems possible that an enlarged Johnson House could accommodate 22 guests. Indeed Fisk reports in her book that there was space for 18 borders at the Johnson House.<sup>10</sup>

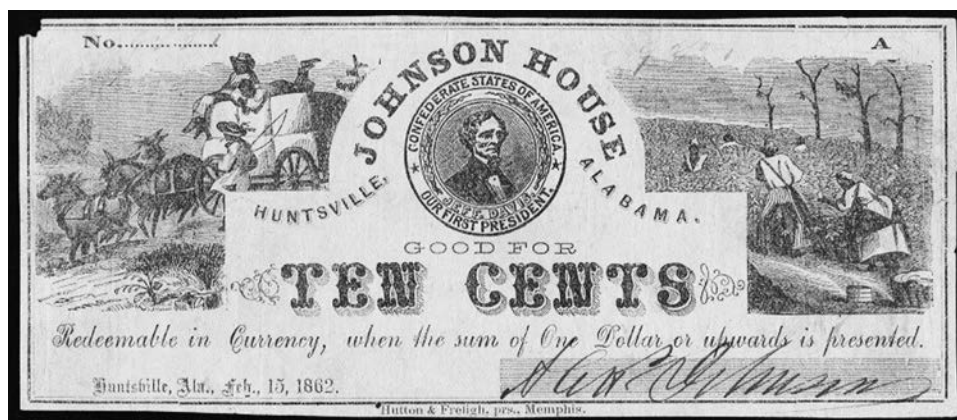
There was no information provided on the occupation of Alex Johnson in 1870, nor was there a spouse or children listed for Johnson suggesting that the family had separated during the war years. However, by 1880 Alex Johnson is shown living in the household of “Holding Johnson” age 20, whose occupation was listed as farmer. This “Holding Johnson” is most likely William H. Johnson, the son of Alex and Sarah Johnson who was born in 1860. Also included in the Holding household was a Phoebe H. Flinn, age 35. This is most likely the “Phoebe H” who is listed in Alex Johnson’s family in 1860 and who was born in 1845 or 1846. The presence of these “children” confirms that in fact this is Alex Johnson of the Johnson House, although the Census records report his birth year as “about 1815,” not 1812. A “Sallie Johnson” who is 59, is also listed as Holding Johnson’s mother, and would apparently be “Sarah” Johnson, Alex’s wife. While the 1880 Census suggest she was born in 1821 rather than 1823 noted earlier, it is not unusual for these kind of differences to exist in Census records. The 1890 Census records were destroyed by a fire and no further information on Alex Johnson or his family has been located.

Given references to the Johnson House by Fisk in her historical novel, the Johnson House was still in existence in the early 1880s. Indeed, it is likely that many of the buildings in Huntsville were spared from destruction since they were probably being used by Union troops during occupation.<sup>11</sup> It is not clear, however, who owned and operated the Johnson House after the war.

### The Scrip Notes of the Johnson House

There were at least four different notes issued by the Johnson House. Two notes contain a full date (February 15, 1862, and September 1, 1862), one contains a partially-printed date (1862) and one has no date.<sup>12</sup> All major designs are listed, although two of notes shown represent unlisted denominations. The earliest printed date (February 15, 1862) contains a portrait of Jefferson Davis in the center, with a mule, wagon, and bales of cotton on the sides.

R130-Unl. Denomination is unlisted in Rosene. (Courtesy of Heritage Auctions)



This note states that it was “redeemable in currency” when presented in sums of one dollar or greater, but they do not state what currency would be offered. The note is nicely engraved and printed by the firm Hutton & Freleigh of Memphis, Tennessee. Rosene notes that this issue exists in 5-cent, 25-cent and 50-cent denominations as well (R130-4, 5 and 6).

The next note to contain a fully printed date shows September 1, 1862, and is a completely different design from anything previously issued. It is significant to notice that the portrait of Jefferson Davis does not appear on the note, nor are there any references to Confederate currency.



A possible explanation for this issue stems the fact that Huntsville first fell to the Federal Troops on April 11, 1862.<sup>13</sup> While they were forced to retreat later in 1862, they remained in the area returning again in the fall of 1863 and remaining for the duration of the war. As part of the occupation, Marshall Law was declared and:

**R130-Unl.** A 50-cent note of this design is shown in Rosene as 130-7. (Courtesy of Heritage Auctions)

“All business was regulated and supervised at their sweet will: all stores and supplies were in their hands and at their mercy. ...Even the necessities of life could be purchased only for cash with federal currency. The brutality of this last measure – whereby only federal currency was recognized as a medium of exchange – can scarcely be imagined, so broad and disastrous was its effect. ...This measure served to make all things practically prohibitive to those loyal to the South. The people had no federal currency and little enough Confederate currency.”<sup>14</sup>

It seems curious that in the midst of this back-and-forth occupation of Huntsville, the Johnson House would defiantly issue merchant scrip, but the lack of any reference to the Confederacy suggests some kind of signal to the potential occupiers! It is noteworthy that this note is a remainder and may in fact have never been released for circulation by the Johnson House. Nonetheless, it represents the second major type of their scrip in 4½ months!

The third issue with a partially printed date is listed in Rosene as R130-1 and has sufficient space to hand-write the day and month. This 5-cent note is considerably different in design and utilizes a vignette of food items arranged in

**R130-1.** Date estimated to be November 1862. (Courtesy of Heritage Auctions)



a circle. This vignette also appears on the scrip of A. S. Hyder, Princeton, AL (Rosene R282-1). Princeton, AL is located about 20 miles north east of Huntsville and eight miles south of the Tennessee state line. A number of different designs similar to this circle of food existed among other Huntsville merchants including a circle of boots and shoes (James Hickman, R127-1) and a slightly different circle of food items (J. M. and T. I. Humphrey, R128-1). Hyder (Princeton) notes also included vignettes showing a circle of merchandise items (R282-1), a circle of “upside down furniture” (R282-4), and a circle of “arms” or rifles and pistols (R282-12). The Venables’ Hotel in Huntsville (R131-1) also used this vignette with “upside down furniture.” Although there is no indication as to who printed these notes, it seems highly likely that it was a firm located in Huntsville.

This note states that it is “Redeemable in Current Bank or Confederate Notes when the sum of One Dollar is presented.” This reference to Confederate Notes suggests that this note predates the September 1 issue which lacks any reference to the Confederacy. It seems unlikely that it predates the February 15th issue with the image of Jefferson Davis since that would only allow about a month and half for use of the notes! Since the February 15th issues included the 5- and 10-cent denominations it does not appear that this issue was needed for small change.

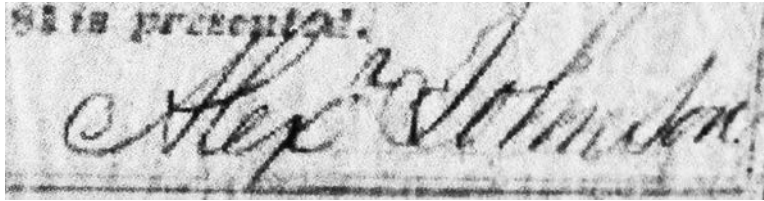
We can gain some insight into the likely date of this issue by examining other issues similar in design. The Huntsville notes of James Hickman (R127-1) and J. M. and T. I. Humphrey (R128-1) which carry similar vignettes to the Johnson House note contain printed dates and both are November 1, 1862. Both of these notes make reference to Confederate notes. This suggests that the Johnson House note was most likely issued in late 1862 during a period when the Federal troops were not occupying Huntsville.

The final note of the Johnson House is a bit of a puzzle. It does not contain any reference to a date nor to the Confederacy. Heritage Auctions, in their description of this note in a January 2010 auction, noted that: “This rare note represents a very primitive effort by this issuer, who “graduated” with several more professionally prepared later issues.”<sup>15</sup> This statement suggests that this note must have been issued prior to the notes issued in February 1862. Since only 1.6 percent of all obsolete notes that have been identified for Alabama were issued in the 1850s, it seems most likely that this note was issued either in 1860 or 1861.<sup>16</sup> The lack of any reference to the Confederate states on the note may suggest it was issued in 1860 since Alabama seceded from the Union on January 11, 1861 and the Confederate States of America was created on February 8, 1861. If this note was issued after January 1861, it probably would have mentioned either Confederate currency or the Confederate States. The lack of such reference suggests the note was issued sometime between 1850 and 1860. The use of an image of a “sting ray” on the note only adds to the mystery surrounding this note.



R130-3. Johnson House. No date.

The second copy of this primitive note auctioned by Heritage Auctions in January of 2010 shows a significantly different signature of Alex Johnson when compared to one shown on page 422. This suggests that these notes may have been all hand signed by Johnson and produced in a very limited quantity.



### Sequencing Recap

R 130-3. Johnson House. No date.  
(Courtesy Heritage Auctions)

The “primitive” note was likely the first to be issued by the Johnson House, perhaps as early as 1850 but not likely after 1860. It seems likely that it was printed in Huntsville, perhaps even by Alex Johnson himself reflecting the lack of any significant resources. The next notes to be issued were the ones with the image of Jefferson Davis (February 1862 and September 1862). The Johnson House apparently had secured sufficient resources by this time to afford to pay for engraving of these notes by a printer in Memphis, Tennessee. The September issue was not likely released into circulation due to Federal occupation since only a remainder has been located.

The final note to be issued by the Johnson House was probably issued in November 1862 apparently after the Federal troops had withdrawn from the area. It is possible that all of the notes with the images of Jefferson Davis were confiscated by the Union troops during the April occupation and it would have been much easier and cheaper to replace them with notes printed locally rather than trying to have new ones shipped from Memphis.

### Footnotes

- 1 Catalog references are to Walter Rosene's *Alabama Obsolete Notes and Scrip*, Society of Paper Money Collectors, 1984.
- 2 Sarah Huff Fisk, *Built Upon the Fragments: In 1880's Huntsville, Alabama* (Huntsville: Pinhook Publishing Company, 2001).
- 3 Sarah Huff Fisk, *Civilization Comes to the Big Spring: Huntsville, Alabama 1823* (Huntsville: Pinhook Publishing Company, 1977), p. viii.
- 4 1859 -1860 Huntsville, Alabama City Directory (Originally published in 1859 by Coltart & Son). [http://www.oldhuntsville.com/County\\_and\\_City\\_Records/1860\\_Huntsville\\_Directory.txt](http://www.oldhuntsville.com/County_and_City_Records/1860_Huntsville_Directory.txt)
- 5 Huff, *Built Upon the Fragments*, p.126.
- 6 1850 Federal Census and 1860 Federal Census records located using Ancestry.com.
- 7 1880 Federal Census records located using Ancestry.com.
- 8 1870 Federal Census records located using Ancestry.com.
- 9 Huff, *Built Upon the Fragments*, Alabama, pp. x-xi.
- 10 Huff, *Built Upon the Fragments*, p. 127.
- 11 <http://www.huntsville-alabama.net/huntsville-history.html>.
- 12 Rosene incorrectly lists one of these dates as September 4, 1862, not September 1, 1862.
- 13 Edward Chambers Betts, *Early History of Huntsville, Alabama 1804 to 1870* (Montgomery, Ala: The Brown Printing company, 1909), revised 1916, Reprinted by Kessinger Publishing Legacy Reprints. p. 98.
- 14 Ibid.
- 15 Heritage Auctions Currency Archives.
- 16 Bill Gunther, “Alabama’s ‘Illegal’ Scrip of 1863 and a Rosene Update,” *Paper Money*, January/February, 2013, p. 22. ❖

# Serial Number 10000001

By Jamie Yakes

**S**INCE FIRST USED IN 1861, SERIAL NUMBERS ON LARGE-SIZE NOTES had the least digits necessary to represent the number. For example, there was one digit for 1 to 9, two for 10 to 99, three for 100 to 999, and so on (Figure 1). When numbering reached the maximum eight digits, it reset back to 1.

Each time the serial number increased by one digit, press operators had to interrupt printing to change the numbering blocks that held the character wheels. They removed the blocks, set the proper characters on the wheels, then replaced the blocks and resumed production. They maintained nearly 1500 parts for the numbering blocks just for that purpose.

In April 1927, Bureau of Engraving and Printing Director Alvin Hall proposed<sup>1</sup> to Public Debt Service Commissioner William Broughton, to eliminate the cumbersome process by starting the serial numbering at 10000001 for new serial blocks instead of reverting back to 1.

Because serial numbers were only used as identifying marks and not for accounting purposes, the changes would not interfere with the various Treasury offices that kept track of issued and redeemed notes. An additional benefit, the serial numbers on all United States and Federal Reserve currency<sup>2</sup> would now have the same number of digits.

Figure 1. Each of these serial numbers advanced one place at a time up to 8-digits. Once the number reached 99999999, it reset to 1 for the next block. (Heritage Auction Galleries)



The innovation was not associated with the impending switch to small-size notes, but part of a larger effort then-undertaken within the Treasury to improve printing operations. Hall had proposed a solution that would "simplify the adjustment of numbering blocks, eliminate lost production on account of these changes, and reduce to the minimum parts carried on hand."

Hall's idea differed conceptually from the eight-digit serial numbers with placeholders, or leading zeros, that would be adopted for small-size currency. The serial numbers on those notes always started at serial 1, but the simplified process of having identically-sized serial numbers was carried forward. Hence the leading zeros.

Treasury officials immediately approved Hall's proposal, and the first 10000001 serial number was printed in the Series of 1923 \$1 Silver Certificate H-D block and delivered to the Treasury on April 12, 1927 (Figure 2). The next eleven blocks for this issue also started at 10000001.<sup>3</sup>

**Figure 2.** This was the one-millionth--not the eleven-millionth--serial number printed for the Series of 1923 \$1 Silver Certificate N-D block. (Heritage Auction Galleries)



Three other issues began at 10000001: Series of 1914 \$5 Philadelphia Federal Reserve Notes, C10000001B, delivered December 10, 1927; 1917 \$2 United States Notes, E10000001A, delivered January 30, 1928; and 1907 \$5 United States Notes, M10000001, delivered March 15, 1928.

The BEP skipped printing the first ten million serials for any of those serial number blocks. This made it necessary to account for the "missing" notes in printed totals and on delivery receipts (Figure 3). In each those cases, the serial number 1 note is really the 10000001 note!

1923	\$ 1	1 216 000	\$ 1 216 000	98 784 001	100 000 000
.	1	1 316 000	1 316 000	10 000 001	11 316 000
TOTAL		2 532 000	\$ 2 532 000	OMIT 1 TO 10 000 000	

No other large-size issues started at 10000001 because the Bureau started no new serial number blocks after April 1927. The Bureau also never changed the serial numbers on National Bank Notes because that class used a different numbering scheme.

### Acknowledgment

The Society of Paper Money Collectors and the Professional Currency Dealers Association supported this research.

I encourage readers to see "Those Missing 150 Million Notes" by Doug Murray in *Paper Money* no. 91 (1981), and "Missing or Non-Existent?" by John Isted in *Paper Money* no. 93 (1981).

**Figure 3.** Notice the comment "Omit 1 to 10000000" underneath the serial numbers for this April 12, 1927 delivery of Series of 1923 \$1 Silver Certificates. (National Archives and Records Administration)

## End Notes

1. Hall to Broughton.
2. "United States currency" was Treasury parlance for legal tender notes, Gold Certificates, and Silver Certificates. "Federal Reserve currency" referred to Federal Reserve Notes and Federal Reserve Bank Notes.
3. Series of 1923 \$1 Silver Certificate serial number blocks used were H-D, K-D, M-D, N-D, R-D, T-D, V-D, X-D, Y-D, Z-D, A-E, and B-E.

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- U.S. Treasury. Bureau of Engraving and Printing. Ledgers Pertaining to Plates, Rolls and Dies, 1870s-1960s. Volume 32. Record Group 318: Records of the Bureau of Engraving and Printing. U.S. National Archives, College Park, MD. ❖

## Can anyone help out a past SPMC President on this new edition of his SPMC Wismer book?

**Fred:**

*Another twenty years have passed since the **Iowa Obsolete Notes & Scrip** revision in 1993 on the original SPMC book printed in 1982.*

*I am asking again for help in updating what we know about the Iowa issues.*

*My requests are that if anyone has a Rarity 8 note to send a photocopy of it as it may be the only one known or the second one. Also, if you have a State Bank of Iowa note please send a photocopy of it. I will try to list the known serial numbers of all notes.*

*Please send photocopies to Dean Oakes, PO Box 1456, Iowa City, IA 52244.*

*Everyone replying will be acknowledged and all photocopies will be acknowledged.*

*At this time I don't have any new discoveries to picture in this revision.*

**Sincerely, Dean Oakes**

# Salvaged Plates:

## Late-Finished and other Exotic Plates Explained

**T**HE PLATES THAT PRODUCED THE MOST avidly collected early small note varieties owe their origin to resource conservation, most of which occurred during World War II.

The term *salvaged plate* coined here is a broad classification that encompasses these plates. Most salvaged plates were objects used to make production plates that were converted into production plates. Others were deliberately bypassed production plates or possibly even plate numbers in the plate inventory that were resurrected.

These objects were destined for eventual destruction but were salvaged as an economy measure. Be forewarned that a one-size-fits-all explanation does not apply here.



### The Paper Column

By Peter Huntoon  
& Jamie Yakes

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**Table 1** is a list of them. The list encompasses all the traditionally defined late-finished plates plus \$5 micro backs 629 and 637. \$5 micro back 637 was, in fact, a late-finished plate.

A late-finished legal tender \$5 1928B face, plate 147, is included on the list. This previously undocumented plate is the only late-finished legal tender plate that was made, but sadly it never was sent to press.

This article is a new take on a suite of plates that is familiar to serious small size currency collectors because the plates created a host of popular varieties. Our objective is not to delve into the taxonomy of the varieties, but rather to explain what caused these plates to be set apart from their siblings in order that they could create unusual varieties. The technical considerations that we will develop caused the plates to be used long after their plate numbers were assigned to them, which is why collectors discovered them decades ago.

There are exceptions, but the typical pattern on **Table 1** is plates that were begun during 1934-6 and finished in 1942-4. The thing that distinguished them is that their low plate serial numbers were radically out of character with those on the presses when they were being used. As a result many created exotic mule varieties. We will not repeat explanations of what constitutes a late-finished or mule note because that information already is known to most of you and is readily found in

**Table 1. Late-finished and late-used small size currency plates that in many cases created highly unusual collectable varieties during 1939-1948.**

Class	Series	Den	Serial	Plate No.	Size of Plate Check Numbers	Begun	Finished	Origin of Plate
back		\$1	470	134722	intermediate	Sep 1, 1936	May 13, 1943	salvaged basso master
back		\$5	629	1422	micro	Dec 6, 1933	Dec 29, 1933	obsolete plate accidentally used
back		\$5	637	1442	micro	Jan 24, 1935	Nov 10, 1944	salvaged basso master
back		\$20	204	1429	macro	Dec 21, 1934	Mar 18, 1944	salvaged basso master
SC	1934A	\$5	307	134023	macro	Apr 6, 1936	Jul 3, 1942	old assigned number used
SC	1934A	\$10	86	138130	macro	Jan 21, 1938	May 29, 1940	salvaged steel master
SC	1934A	\$10	87	138195	macro	Feb 7, 1938	Sep 16, 1938	salvaged steel master
LT	1928B	\$5	147	133946	intermediate	Mar 26, 1936	Sep 6, 1943	salvaged basso master

current small note catalogs, foremost being the Schwartz-Lindquist *Standard Guide to Small-Size U. S. Paper Money*.

### Salvage Program

Most of the salvaged plates were masters that were fabricated into production plates so that they could be used to print notes. One of the salvaged plates was a finished plate that had never been sent to press until 14 years after it was made. The salvaging of another may have involved the resurrection of a plate serial number that had been bypassed.

Salvaging of bypassed plates and conversion of masters into printing plates obviously was an outgrowth of resource conservation efforts. It is no surprise that plate salvaging reached its zenith during World War II. The Bureau of Engraving and Printing experienced the same commodity shortages as everyone else during the wartime economy so resource conservation procedures were instituted to aid the war effort. Salvaging plates served this end.

### Master Plates

Two types of master plates are listed on **Table 1**, steel plates and iron electrolytic bassos. Their creation differed radically.

When a new design came along, such as a face with new Treasury signatures, the technology in use during the early small note era required fabrication of a new master die. The die had all the generic intaglio elements except the plate serial numbers. Face dies even had the series letter if there was one.

A transfer roll, consisting of a cylinder of soft steel, was rocked back and forth over the hardened die until it picked up the intaglio image, which stood in relief on its surface. After hardening, the roll in turn was used to lay the image as many times as required into a flat steel master plate in an operation called a transfer.

Silver Certificate \$10 Series of 1934A plates 86 and 87 on **Table 1** were steel masters that contained 12 subjects that required twelve transfers from the roll. It was necessary to etch the plate serial numbers onto each subject when those masters were converted into printing plates.

The other masters on **Table 1** were electrolytic bassos. These objects were duplicated from steel masters. The steel master was submerged in an electrolytic solution where an alto was created on its surface by means of electrolytic deposition of an initial thin layer of nickel and then a successive thick deposit of iron onto its surface. The alto was a perfect mold of the intaglio master, wherein the intaglio elements stood in relief on its surface.

Special Characteristics	Inclusive Dates of Use	Canceled	Notes Printed
iron electrolytic	May 15, 1943-Jun 18, 1943	Jun 26, 1943	2,402,700
last old gauge \$5 back plate, iron electrolytic	Nov 17, 1947-Feb 2, 1948	Feb 17, 1948	422,700
1st new gauge \$5 iron electrolytic basso master made from steel master plate 630 which was the 1st new gauge \$5 back plate	Jun 23, 1945-Jun 15, 1949	Jun 16, 1949	7,179,108
1st iron electrolytic basso master made from steel master 203 which was the 1st new gauge \$20 back plate	Apr 4, 1944-Oct 2, 1946	Oct 3, 1946	3,328,728
iron electrolytic	Jul 9, 1942-Jun 3, 1943	Jun 19, 1943	569,244
1934A steel master	Jul 18, 1940-Jun 29, 1944	Dec 31, 1947	1,203,456
1934A steel master	Dec 5, 1939-Jan 16, 1940	Jan 17, 1940	83,100
1st iron electrolytic basso master made from steel master 146 which was the 1st new gauge 1928B \$5 plate	not used	Dec 31, 1946	0



Figure 1. A siderographer is using a steel transfer roll to lay in an intaglio image from the roll onto a flat plate. This process was used to made steel master plates. (BEP photo)

The alto was separated from the master, and in turn submerged in the electrolytic solution where through the same process it was used to create an object called a basso. The intaglio image on the basso was an exact replica of that on the steel master plate.

Bassos were fabricated into production plates by fitting them with a ridged backing and etching plate serial numbers into each subject. However, some bassos were employed as masters that served as molds from which additional altos could be fabricated. Those altos went on to produce numerous additional bassos which were fabricated into production plates.

Clearly, altos could be made from both steel masters and master bassos, so a fair question is why make master bassos. The explanation is that their surfaces were nickel so it was easier to separate altos made from them than to separate altos from steel masters.

The only difference between the images on a basso and those on production plates was that there were no plate serial numbers etched into the surface of the basso. The salvaged master bassos listed on **Table 1** were converted into printing plates through the addition of plate serial numbers and attachment to rigid backings.



Figure 2. Top right note from the certified proof of \$10 1934A Silver Certificate plate 87. Margin markings are as follows: three open circles flag the plate as special, in this case as a steel master, CS = chrome plated steel plate, F = finished, 138195 = plate number. (National Numismatic Collection photo)

### \$10 SC 1934A Faces 86 & 87

Series of 1934A Silver Certificate \$10 face plates 86 and 87 were the first of the late-finished plates to be completed and used, events that predated World War II. They carried plate serial numbers that appeared to be of Series of 1934 vintage because the last Series of 1934 face plate was number 127. The fact is, plates 86 and 87 represented a special situation.

\$10 Silver Certificates were a low-demand item prior to 1938. In fact, there had been a hiatus of more than two and a half years in the manufacture of \$10 Silver Certificate face plates that lasted from August 1935 to March 1938. By 1938 the decision had been made to use macro plate serial numbers, so Series of 1934A masters were required. Plates 86 and 87 were the designated masters. Both were steel masters laid in respectively in January and February 1938 using roll transfer technology from the new \$10 Series of 1934A die. The effort attending them was given low priority.

Suddenly huge orders for \$10 Silver Certificates started to arrive driven by the enormous buildup of Silver Certificate circulation launched by the New Deal Treasury. Bureau personnel responded in the only practical way they could. They already had Series of 1934 altos on hand, so they fell back on them to crank out iron electrolytic production plates 88 through 127, all of which were begun during the two week period inclusive of March 2-16, 1938.

\$10 Silver Certificate face plate production then resumed well after the crush was over in February 1939. By then they had 1934A altos from 86 and 87 so they produced electrolytic 1934A face plates from then on. In the meantime, 87 was converted into a production plate in September 1938. This was followed by the conversion of 86 in 1940. Macro plate serial numbers were added to them during the conversions, but they already were dated 1934A because that was on the master die from which they were made, and the reason for making them in the first place.

Plates 86 and 87 certainly qualify as salvaged plates and also define the concept of late-finished plates. Their handling may have set the precedent for the conversion of masters into production plates that was followed during World War II.



### \$5 Micro Backs 629 & 637

\$5 micro backs 629 and 637 hold special allure for collectors because they produced a plethora of unusual mule varieties. Plate 637 even produced some exotic non-mules. Plate 637 was a master basso that was converted into a printing plate in 1944 and sent to press between 1945 and 1949. In contrast, 629 was an unused regular printing plate finished in 1933 that was accidentally sent to press between November 1947 and February 1948, coincidentally when 637 happened to be out of service for repairs.

The two plates are inextricably linked and their story is fascinating. The tale revolves around a technicality. The vertical separation between the subjects on plates was increased in 1934 to reduce spoilage caused by tight margins. The plates with the wider spacing were called new gauge by Bureau of Engraving and Printing personnel.

The last old gauge \$5 back plate was 629. Old gauge \$5 backs continued to be used until the end of January 1936. However, old gauge backs 576 through 629 never saw service. All, except 629, were canceled as obsolete on April 1, 1937. Plate 629 was saved as the last of its kind.

The first new gauge \$5 back plate was 630, a steel master plate that was completed on December 4, 1934. It was used to create alto 1216 that in turn was used to make master basso 637. Master basso 637 was used to make numerous altos, which in turn were used to make innumerable working plates. 637 was saved and used as a master basso for years.

Ultimately 637 was converted into a production plate in 1944 and sent to

Figure 3. \$5 backs where the margin codes tell the story. Top is plate 629 - EI designates it as a conventional iron electrolytic plate. Middle is 630 - CS indicates it was a steel plate that was chromed and the diamond reveals that it was a master. Bottom is 637 - CI indicates it was an iron electrolytic plate that was chromed. 629 was the last old gauge \$5 plate. 630 was the new gauge steel \$5 master. 637 was a master basso made from alto 1216, which was made from 630. Plate serial numbers were added and the plates chrome plated when 630 and 637 were converted into production plates. (National Numismatic Collection photo)

press in 1945. Plate serial number 637 was etched into its subjects at that time. Whoever did the etching job replicated the micro size of the numbers in use in 1935 when 637 was assigned to the plate.

Plate 637 was taken out of service for reentry during November 1947. Reentry is the process where a steel roll was used to refurbish worn details. It was returned to service in February 1948. In the meantime the custodian of the plate vault sent 629 to press. This was a mistake because 629 was an obsolete old gauge plate. 629 was removed from service for reentry in February 1948. Someone recognized that it was an old gauge plate after it had been reentered, so it was canceled before it could be sent to press again.



Figure 4. \$20 backs 203 and 204.

Top is plate 203 - CS indicates it was a steel plate that was chromed and the diamond reveals that it was a master. Bottom is 204 - CI indicates it was an iron electrolytic plate that was chromed. 203 was a new gauge steel master. 204 was a master basso made from 203. (National Numismatic Collection photo)

### \$20 back 204

The history of late-finished \$20 back plate 204 closely parallels \$5 micro back 637, except the plate serial number was etched into it using then current macro numbers. The number 204 was unambiguously from the micro range because 318 was the first regular macro, so notes bearing 204 have been recognized and collected as oddities for decades.

This is how it was created. The first new gauge \$20 back plate was steel master 203, made at the end of 1934. Plate 204 was an iron electrolytic master basso duplicated from 203. Basso master 204 probably was used to make altos for production plates.

It was converted into a production plate in 1944 at which time the plate serial numbers were added. Thereafter it saw extensive use through 1946. It created late-finished Series of 1934, 1934A and 1934B \$20 Federal Reserve Notes for many districts.

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Figure 5. \$1 backs 469 and 470. Top is plate 469 where EI reveals that it was a conventional iron electrolytic plate typical of plates made at that time. 469 is shown for comparison purposes. Bottom is 470, also an iron electrolytic plate, but notice the three open circles that flag is as something special where in this case it was used as a master basso. 470 has the only Series 1935 label on plates of this vintage. (National Numismatic Collection photo)

### \$1 Back 470

The entry for \$1 back 470 in the plate history ledger is unremarkable. It is listed as an iron electrolytic plate identical to its siblings. However, the proof from the plate reveals that it was anything but typical. Unlike its siblings, three open circles appear in the upper margin along with a banner declaring it to be Series 1935. The latter is a designate for plates with micro plate serials. The open circles were used to flag several masters during that era.

We conclude that 470 was a master basso made in 1936 that was converted into a printing plate in 1943. The plate serial numbers on the subjects support this because they are of an unusual intermediate size. They hint that whoever etched them onto the plate in 1943 unsuccessfully attempted to mimic the micro numbers that were current when 470 was assigned to the plate in 1936.

Four score and seven years ago our fathers brought forth on this continent a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal.

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Figure 6. \$5 legal tender \$5 1928B faces 146 and 147. Top plate is 146 - CS indicates it was a steel plate that was chromed. It was the new gauge steel \$5 master for the series. Bottom is 147 - EI designates it as an iron electrolytic plate. 147 was, in fact, a basso master duplicated from 146. It was converted into a printing plate in 1943 and would have been the only late-finished legal tender plate made. However someone realized that it was an obsolete design so the plate was canceled before being used. (National Numismatic Collection photo)

### \$5 1928B LT147

Co-author Yakes discovered a most interesting previously undocumented late-finished plate as he searched the legal tender entries in a plate history ledger. It was \$5 Series of 1928B face 147, the only late-finished legal tender plate made.

Its story also involves the changeover from old to new gauge plates. The first new gauge \$5 Series of 1928B face plate was steel master 146, which was made in 1936. An alto was made from it and used at the time to produce iron electrolytic master basso 147. Like \$20 back 204, master basso 147 probably was used to produce altos used to produce new gauge production plates. Basso 147 remained in inventory until September 1943 when someone discovered it and deemed it to be salvageable. It was dutifully converted into a printing plate by adding a stiff backing added and the plate serial numbers.

Whoever etched the plate serial numbers unsuccessfully attempted to mimic the micro plate serial numbers that were consistent with its 1936 number just as had been done four months before with \$1 back 470. The numbers came out in the same peculiar intermediate size as on 470.

It was ready to go to press. But then someone realized that no 1928B \$5 faces had been used since May, 1939. It was deemed obsolete and eventually canceled unused on December 31, 1946. What a lost opportunity!

Figure 7. There is nothing in the plate history ledgers or margins of the certified proof to indicate that \$5 Series of 1934A Silver Certificate face 307 is anything other than a conventional iron electrolytic plate. The fact that it was made in 1942 six years after plate serial number 307 was assigned leads us to speculate that it represents a case where the old number was simply resurrected. We have misgivings about this interpretation. (National Numismatic Collection photo)



## \$5 SC 1934A Face 307

Silver Certificate 1934A face 307 (opposite) is enigmatic. The plate serial number was assigned in 1936 during the Series of 1934 era, yet the plate was made as an iron electro in 1942 from a Series of 1934A alto. Conventional macro plate serial numbers were etched into it. We have been unable to develop definitive information pertaining to its manufacture.

It appears that although the plate and plate serial number were assigned in 1936, the plate wasn't made until 1942. If our current interpretation is correct, it technically was not a late-finished plate! Rather it was a plate made in 1942 that carried a decidedly old plate serial number!

Generally, bypassed plate and plate serial numbers were simply canceled. We suspect that there is more to this plate than we have been able to document, but to draw additional conclusions would be speculative.

## Conclusion

When we began our analysis of the plates treated here, we were seeking a unifying technical pattern that might be common to all of them. That didn't happen. We ended up dealing with four different situations:

late-used conventional printing plate	\$5 back 629
late-finished converted steel masters	\$10 SC 1934A faces 86 and 87
late-finished converted master bassos	\$5 back 637
	\$20 back 204
	\$1 back 470
	\$5 LT1928B face 147
resurrected plate serial number	\$5 SC 1934A face 307

The unifying theme that did emerge was that these peculiar plates, with the likely exception of \$5 SC 1934A 307, resulted from efforts to conserve resources by squeezing the last bit of use out of any object in inventory that could be used to print currency. In most cases, these special plates were put into production during World War II when critical commodities were in short supply and policies and programs were in place to promote resource conservation.

Each of the masters was handled in an ad hoc fashion as it was converted into a printing plate. For example, most received current macro plate serial numbers. However, in the cases of \$1 back 470, \$5 back 637 and \$5 LT 1928B face 147, the people who etched the numbers into the plates attempted to recreate micro numbers that were current when the numbers were assigned in the early 1930s.

The plates treated here were old objects with old numbers when they were sent to press, so they created for collectors a rich suite of avidly sought varieties. You now know why and how they came along to delight you.

## Sources of Data

- Bureau of Engraving and Printing. various dates, Certified proofs lifted from small size currency plates: National Numismatic Collection, Museum of American History, Smithsonian Institution, Washington, DC
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Figure 8. Comparison between the sizes of the plate serial numbers. 629 - conventional micro number placed on \$5 back 629 in 1933. 637 - micro number added to \$5 back 637 in 1944. 470 - intermediate number added to \$1 back 470 in 1943. 147 - intermediate number added to \$5 LT 1928B face 147 in 1943. 307 - conventional macro number added to \$5 SC 1934A face 307 in 1942.

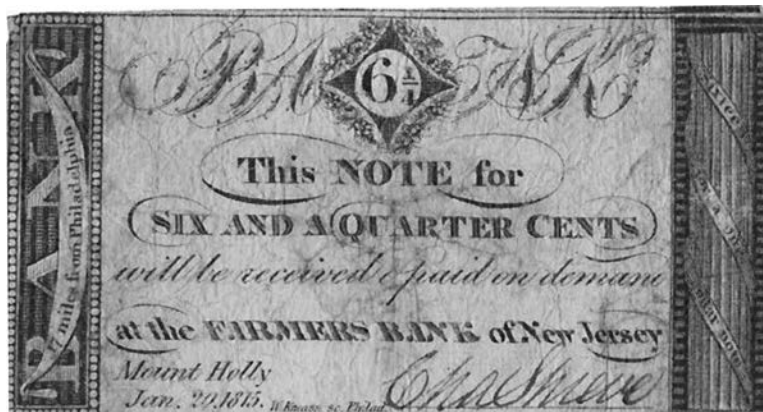
## Did New Jersey Have Private Banks?

By David D. Gladfelter

**T**HE TERM PRIVATE BANK IS A TERM OF ART IN THE obsolete paper money field. James A. Haxby defines private bank as “an unchartered bank, often operated as a partnership.”<sup>1</sup> Some states, such as Michigan and Ohio, had numerous private banks, some of which issued obligations that circulated in lieu of money. But no private banks identified as such are included among the 113 New Jersey banking institutions listed in the Haxby catalog, *Standard Catalog of United States Obsolete Bank Notes, 1782-1866*, vol. 2.

Yet we know for a fact that the Farmers Bank of New Jersey, located in Mount Holly, opened for business and issued notes prior to receiving a 20-year charter from the New Jersey Legislature on January 26, 1815.<sup>2</sup> Its first meeting, at which a board of directors and a slate of officers were elected and shares of stock subscribed for and paid, occurred on July 9, 1814. The bank opened for business in a converted dwelling in September, 1814, and formally accepted deposits on October 5. It authorized the printing of fractional notes in denominations of 50, 25, 12½ and 6¼ cents “as will be necessary for the convenience of the bank for the purpose of change” at its meeting on November 16. The date on which the bank began issuing dollar-denominated notes is not known, but a protested note is mentioned in the minutes of the meeting on January 21, 1815. Not until January 7, 1815, was a committee appointed to petition the Legislature for a charter.<sup>3</sup>

Fractional note signed by Charles Shreve, first president of the Farmers Bank of New Jersey.



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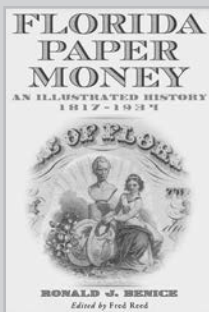
Ron Benice

*"I collect all kinds  
of Florida paper money"*

4452 Deer Trail Blvd.  
Sarasota, FL 34238

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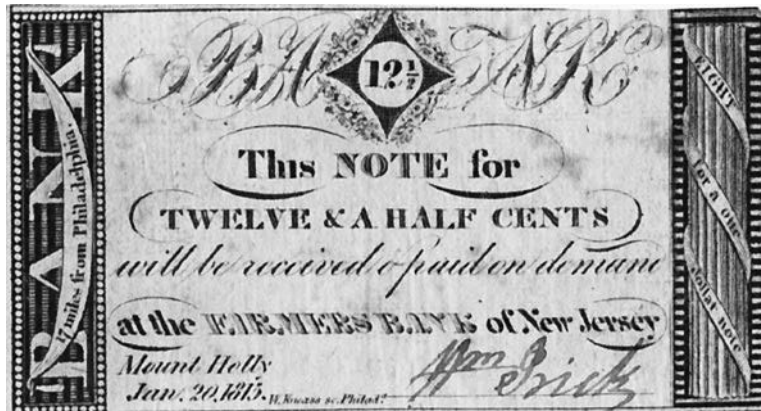
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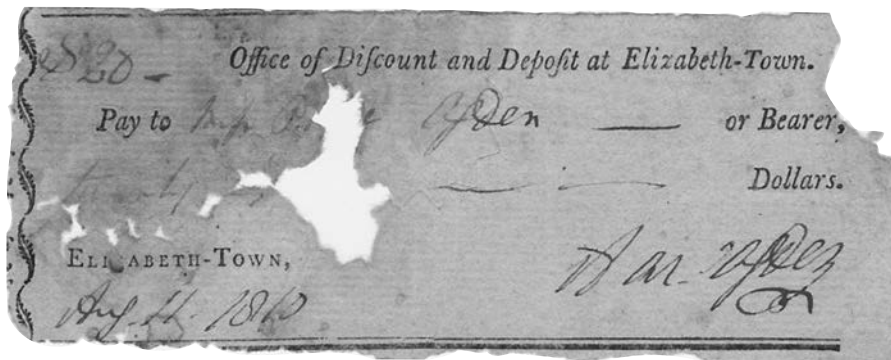
Fractional note signed by Gen. William Irick, second president of the Farmers Bank of New Jersey.

The bank's fractional notes, which are not listed in Haxby, were engraved by William Kneass of Philadelphia and bear the engraved date of Jan. 20, 1815, which is pre-charter. These notes are therefore private bank issues. Two examples are shown here, a 6¼ cent note signed by Charles Shreve, the bank's first president, and a 12½ cent note signed by General William Irick, its second president. The board terminated issuance of the fractionals in November, 1816.<sup>4</sup>

We have shown that New Jersey had one private bank (that did become a chartered bank). Were there others? If so, they would have had to operate prior to February 10, 1815, the date that the Legislature slammed the door on private banks.<sup>5</sup>

Consider the strange case of the "Office of Discount and Deposit at Elizabeth-Town." A check drawn on this entity in the amount of \$28.00, payable to Miss Phoebe Ogden, signed by Aaron Ogden and dated Aug. 11, 1810, at Elizabeth-Town (present day Elizabeth), is the only evidence we have of such an entity ever having existed. The check, shown here, appears not to have been paid or negotiated, but it has been hammer canceled over the payee's name by a serrated edge device.

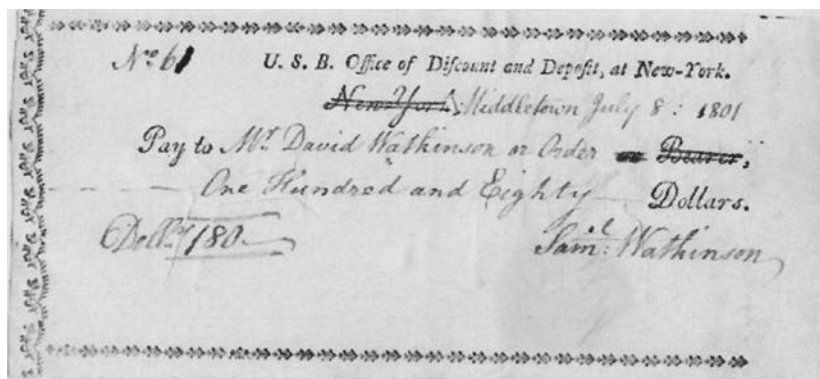
Third note: Aaron Ogden's 1810-dated check for \$28.00 payable to his daughter Phoebe.



Nothing is known of this entity beyond what can be deduced from the check itself.

Aaron Ogden (1756-1839) was the fifth governor of the State of New Jersey, serving one year beginning in October, 1812. He resided in Elizabeth in 1810. Phoebe Ogden was his daughter, only 20 years of age as of the date appearing on the check. The signature on the check appears genuine. New Jersey had only three chartered banks in 1810. The State Bank at Elizabeth was chartered in 1812; Ogden became its second president in 1813.

Biographical information on Ogden provides no clue as to what the check may represent. Ogden had a distinguished military career during the Revolution, attaining the rank of colonel. Upon retirement from the military he joined the New Jersey Society of the Cincinnati, an organization of officers of the American army, becoming its president in 1824 and serving in that capacity until his death. He entered law practice in 1784. A Federalist, he filled the unexpired U. S. Senate term of James Schureman from 1801 to 1803. After losing the election for governor in



1813, Ogden obtained a legislative privilege to operate steamboats between Elizabeth and New York. But this privilege was challenged by Thomas Gibbons, who set up an opposition steamboat line. Litigation by Gibbons against Ogden followed, culminating in the 1824 U. S. Supreme Court decision invalidating Ogden's exclusive right and establishing freedom of navigation. The legal battle and its unfavorable outcome cost Ogden his fortune. His last years were spent working in a custom house and living on his soldier's pension.<sup>6</sup>

The name "Office of Discount and Deposit at Elizabeth-Town" mimics the names given to branches of the first Bank of the United States, and its check is similar in appearance to one drawn on the New York Office of Discount and Deposit (a real branch office) of First BUS. Perhaps Ogden hoped for establishment of such a branch office in his home city. That never happened. Ogden's presumed private bank is all there ever was, until establishment of the State Bank at Elizabeth.

Check drawn in 1801 by Samuel Watkinson on the New-York Office of Discount and Deposit of the first Bank of the United States.

### End Notes

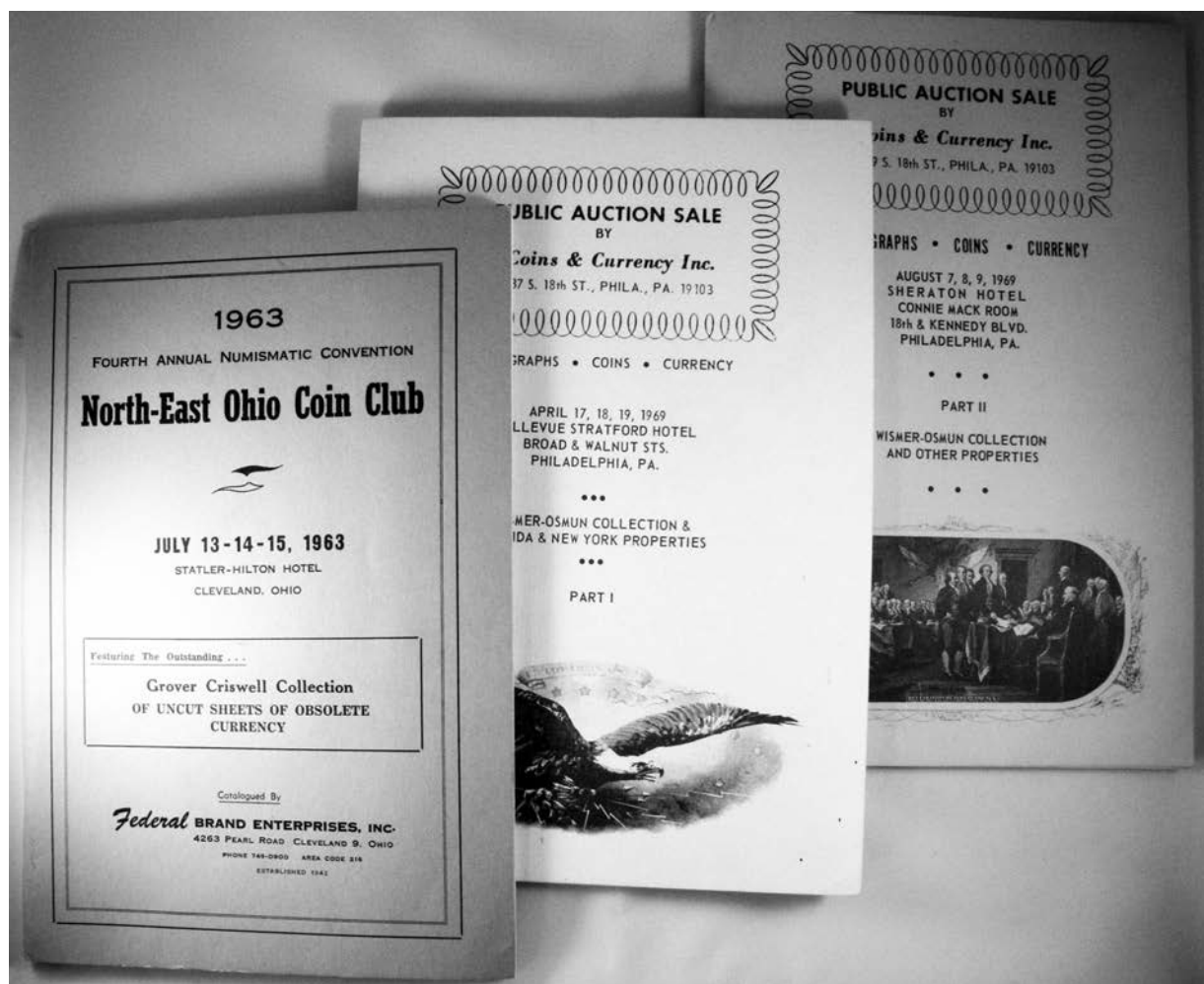
1. James A. Haxby, *Standard Catalog of United States Obsolete Bank Notes, 1782-1866* (4 volumes), Iola, WI., Krause Publications, 1988, page xi and elsewhere.
2. "An Act to incorporate The President, Directors and Company of the Farmer's Bank of New-Jersey." In *Acts of the Thirty-Ninth General Assembly of the State of New-Jersey*, Trenton, James J. Wilson, 1815, pages 21-31. The bank dropped the apostrophe and hyphen on the titles of its notes.
3. Edward D. Stokes, *100th Anniversary of the Farmers' Trust Company, Mount Holly, New Jersey*, Burlington, NJ., Enterprise Company, no date of publication, pages 7-10.
4. Stokes, op. cit., page 15.
5. "AN ACT to prohibit unincorporated banks," in *Acts of the Thirty-Ninth General Assembly of the State of New-Jersey*, op. cit., pages 13-14.
6. Lucius Q. C. Elmer, *Reminiscences of New Jersey*, Newark, N.J., Martin R. Dennis & Co., 1872. A biographical essay on Ogden appears at pages 137-157 and is the most extensive record of his life found.



Painted and Engraved by A.B. Duvall.

AARON OGDEN.

Aaron Ogden



## Chasing Information for Numismatic Research

By Greg Davis

Above: Examples of early auction catalogs.

FOR THE LAST FEW YEARS I HAVE BEEN GATHERING AUCTION information about obsolete currency proofs. The current database has entries going as far back as the 1952 New Netherlands auction of the D. C. Wismer estate. If you would like to obtain a copy of the current spreadsheet you can visit my web site at <http://brokenbanknotes.com/> and find the topic called "Resources for Research." There are no restrictions on who can download the information. You don't need to sign in or create an account.

I have been trying to gather as much data as I can in order to be able to track the provenance of various obsolete proofs (among other things). In fact, my interest in provenance is triggered by the prior auction information I found in some of the more recent auction listings (especially those from Stacks/Bowers and Smythe listings). In some of those listings I found references to past auctions that give me clues about which auction catalogues I need to seek out in order to backfill the provenance information.

Generally, when I become aware of an earlier auction that allegedly had obsolete proofs, I seek out the catalogue and, upon obtaining a copy, I scan in the pages with obsoleted proofs, use Optical Character Recognition (OCR) technology to convert the scanned images into text, and then spend time cleaning up the text and converting it to the standard format of the spreadsheet. This does no more harm to the original catalogue than creating a photocopy would.



Through the help of some friends I obtained a large amount of information that has since been integrated into the spreadsheet. As with most research projects, the more you know the more there is to learn. I have spent a lot of time recently scanning the lists of numismatic auction catalogues that I know about, and have spent a fair amount of money buying older catalogues in hopes of filling some of the

Plate showing proof notes found in the Wismer-Osmun catalog.

646	Bank of State of Minnesota. 18--. 1.00. Red & black. (A.B.N.Co.)	PROOF (55.00)
647	Bank of State of Minnesota. 18--. 2.00. Red & black. (A.B.N.Co.)	PROOF (55.00)
648	Merchants Bank. 1.00. Mankato.	Good (28.00)
649	Bank of Owatonna. 18--. 5.00. (A.B.N.Co.)	PROOF (55.00)
650	Northern Bank. 18--. 5.00 (A.B.N.Co.)	PROOF (55.00)
651	Dayton Bank. 185-. 1.00, 2.00, 5.00. Unsigned.	Uncirculated (25.00)
652	State of Minnesota. 1858. 1.00.	Rare. Fine (95.00)

### MISSISSIPPI

653	Bank of Lexington. 1852. 10.00.	Scarce. Very Good (18.00)
654	Planters' Real Estate Bank. Louisville. 183-. Damaged. 50.00.	Scarce. Very Good (26.00)
655	Planters' Bank. 1832. 50.00.	Scarce. Fine (22.00)
656	Planters' Bank. 183-. 100.00.	Very Good (20.00)
657	Mississippi Union Bank. 1839. 50.00.	Very Fine (23.00)
658	Real Estate Banking Co. 1838. 5.00.	Very Fine (22.00)
659	Real Estate Banking Co. 1837. 2.00.	Very Fine (22.00)
660	Northern Bank. 1861. 5.00.	Very Fine (23.00)
661	Exchange Office. 1838. 1.00. Right side damaged.	Very Good (16.00)
662	McEwen, King & Co. 1838. 50¢.	Rare. Fine (22.00)
663	Real Estate Banking Co. 1837. 20.00.	Fine (24.00)
664	Real Estate Banking Co. 1837. 50.00. Ragged edges.	Fine (14.00)
665	Columbus & Tombigby Trans. Co. 1840. 50.00.	Very Fine (22.00)
666	Real Estate Banking Co. 1838. 5.00.	Very Good (18.00)
667	Real Estate Banking Co. 18--. 5.00. Unsigned.	Very Fine (22.00)
668	Mississippi & Alabama. R.R. 1838) 100.00.	Very Fine (20.00)
669	Citizens Bank. 1838. 20.00.	Extra Fine (23.00)
671	Mississippi & Alabama R.R. 1838. 50.00.	Extra Fine (20.00)
672	Mississippi & Alabama R.R. 1837. 20.00.	Very Fine (16.00)
673	Mississippi & Alabama R.R. 1837. 10.00.	Fine (12.00)
674	Commercial Bank. Natchez. 18--. 5.00.	PROOF (50.00)
675	Bank of U.S. Natchez. 1831. Check.	Very Fine (25.00)
676	Mississippi & Tennessee R.R. 1862. 3.00.	Very Good (12.00)
677	City of Natchez. 10¢, 25¢, 50¢.	Very Fine-Uncirculated (15.00)

Example listings from the Wismer-Osmun catalog.

gaps in my data. Often those purchases prove pointless, as the catalogues obtained are not the ones I really needed.

So I felt it best to turn to you, my fellow paper money collectors, to see if together we can move the project forward more quickly than I have been able to do on my own. What follows is a list of prior sales/auctions referenced by items already in the spreadsheet. If any of you have the auction catalogues for these sales, I would greatly appreciate working with you to get that data integrated into my spreadsheet.

A	B	C	D	E	F	G	H	I	J
398	MA	Boston	Massachusetts Bank	MA Boston, Massachusetts Bank \$5-\$10-\$15-\$20. Dated 178-. Unsigned. Rare, early PROOF sheet. (500.00)	MA-270-G152,G212,G242,G254	C&CI	19690827	748	
399	MA	Lowell	Prescott Bank	MA Lowell, Prescott Bank \$100. Dated 1860. Red & black. (A.B.N.Co.) PROOF (75.00)	MA-760-G26a	C&CI	19690827	508	
400	MA	Lowell	Prescott Bank	MA Lowell, Prescott Bank \$20. Dated 186-. Red & Black. (A.B.N. Co.) PROOF (55.00)	MA-760-G18a	C&CI	19690827	506	
401	MA	Lowell	Prescott Bank	MA Lowell, Prescott Bank \$50. Dated 1860. Red & black. (A.B.N.Co.) PROOF (60.00)	MA-760-G22a	C&CI	19690827	507	
402	MA	Lowell	Prescott Bank	MA Lowell, Prescott Bank \$500. Dated 1860. Red & black. (A.B.N.Co.) PROOF (80.00)	MA-760-G30a	C&CI	19690827	509	
403	MA	Methuen	Spicket Falls Bank	MA Methuen, Spicket Falls Bank \$10. Dated 1853. Red TEN. PROOF (50.00)	MA-815-G10a	C&CI	19690827	513	
404	MA	Methuen	Spicket Falls Bank	MA Methuen, Spicket Falls Bank \$20. Dated 1853. Red "XX". PROOF (50.00)	MA-815-G12a	C&CI	19690827	514	
405	MA	Methuen	Spicket Falls Bank	MA Methuen, Spicket Falls Bank \$5. Dated 1853. Red FIVE. PROOF (50.00)	MA-815-G8a	C&CI	19690827	512	
406	MA	Milford	Bank of Milford	MA Milford, Milford Bank \$3. Dated 18--. Right corner cut off. PROOF (25.00)	MA-820-G6c	C&CI	19690827	515	
407	MA	Nantucket	Pacific Bank	MA Nantucket, Pacific Bank \$5. Dated 18--. Affixed. Rare. PROOF (50.00)	MA-865-G102	C&CI	19690827	516	
408	MA	Pittsfield	Pittsfield Bank	MA Pittsfield, Pittsfield Bank \$20. Dated 1857. Slight damage at hole cancellation at bottom. Rare. Santa Claus. PROOF (75.00)	MA-990-G20c	C&CI	19690827	586	
409	MA	Springfield	Pyncheon Bank	MA Springfield, Pyncheon Bank \$1. Dated 18--. Train vignette. PROOF (55.00)	MA-1185-G2	C&CI	19690827	584	
410	MA	Springfield	Pyncheon Bank	MA Springfield, Pyncheon Bank \$2. Dated 18--. PROOF (56.00)	MA-1185-G4	C&CI	19690827	585	
411	MD	Baltimore	Bank of Baltimore	MD Baltimore, Bank of Baltimore \$100. Dated 18--. Rare. PROOF (60.00)	MD-15-G28	C&CI	19690827	482	
412	MD	Elkton	Elkton Loan	MD Elkton, Elkton Loan 10¢. Dated 1863. PROOF (14.00)	Unl	C&CI	19690827	464	
413	MD	Elkton	Elkton Loan	MD Elkton, Elkton Loan 5¢. Dated 1863. PROOF (14.00)	Unl	C&CI	19690827	465	
414	ME	New Castle	New Castle Bank	ME New Castle, New Castle Bank \$20. Dated 18--. Rare. PROOF (56.00)	ME-390-G12	C&CI	19690827	445	
415	ME	New Castle	New Castle Bank	ME New Castle, New Castle Bank \$5. Dated 18--. Rare. PROOF (55.00)	ME-390-G8	C&CI	19690827	444	
416	MN	Little Falls	Northern Bank	MN Little Falls, Northern Bank \$5. Dated 18--. (A.B.N.Co.) PROOF (55.00)	MN-63-G4	C&CI	19690827	650	
417	MN	Owatonna	Bank of Owatonna	MN Owatonna, Bank of Owatonna \$5. Dated 18--. (A.B.N.Co.) PROOF (55.00)	MN-100-G2	C&CI	19690827	649	
418	MN	Red Wing	Bank of Red Wing	MN Red Wing, Bank of Red Wing \$2. Dated 18--. (A.B.N.Co.) PROOF (55.00)	MN-105-G4	C&CI	19690827	644	
419	MN	Saint Cloud	Stearns County Bank	MN Saint Cloud, Stearns County Bank \$2. Dated 1859. (A.B.N.Co.) PROOF (55.00)	MN-120-G4	C&CI	19690827	645	See also Smythe 20060711 and Stacks
420	MN	Saint Paul	Bank of the State of Minnesota	MN Saint Paul, Bank of the State of Minnesota \$1. Dated 18--. Red & black. (A.B.N.Co.) PROOF (55.00)	MN-160-G2a	C&CI	19690827	646	20080115
421	MN	Saint Paul	Bank of the State of Minnesota	MN Saint Paul, Bank of the State of Minnesota \$2. Dated 18--. Red & black. (A.B.N.Co.) PROOF (55.00)	MN-160-G4a	C&CI	19690827	647	
422	MS	Natchez	Commercial Bank of Natchez	MS Natchez, Commercial Bank \$5. Dated 18--. (50.00)	MS-160	C&CI	19690827	674	
423	NC	Raleigh	Bank of North Carolina	NC Raleigh, Bank of North Carolina \$20. Dated 18--. (A.B.N.Co.) Rare. PROOF (55.00)	NC-55-G116	C&CI	19690827	889	
424	NC	Raleigh	Bank of North Carolina	NC Raleigh, Bank of North Carolina \$5. Dated 18--. (A.B.N.Co.) Rare. PROOF (55.00)	NC-55-G112	C&CI	19690827	887	
425	NC	Raleigh	Bank of North Carolina	NC Raleigh, Bank of North Carolina \$50. Dated 18--. (A.B.N.Co.) Rare. PROOF (60.00)	NC-55-G118	C&CI	19690827	891	
426	NC	Wilmington	Bank of Wilmington	NC Wilmington, Bank of Wilmington \$5. Dated 18--. Rare. PROOF (55.00)	NC-100-G2a	C&CI	19690827	909	

The easiest and safest way to do this would be for those with the listed catalogues to photocopy the pages that have proof listings and send me the photocopies. Alternatively, if you have page scanners, you could scan pictures of the pages and make those available to me online (via email or download). Anything you could do to help me fill these gaps would be greatly appreciated.

Database entries derived from the highlighted items from the Wismer-Osmun catalog.

Auction Dates	Auction House	Sale Number	Sale Description
Mar 18 1955	Schulman		
Dec 17 1955	New Netherlands		Butterworth Collection
1956	Bolender		Bolender
Aug 11 1958			Max Justus
Oct 27 1964			Charles Verhoeven,
Dec 13 1966	Hamilton	16	Lucius S. Ruder Collection
1968	Donlons		Morris Estate Sale
1970			Fritz Weber
August 23 1973	Al Hoch		Al Hoch
1974	Donlons		Thomas F. Morris sale
1977	Rarcoa		CSNS Sale
Jun ?? 1980	NASCA		Memphis Auction
Dec ?? 1981	NASCA		Uhl Auction
Apr 1-2 1982	Christies		Vattemare
Sep 17 1982	Robson Lowe /Christies		Alexander Vattemare Presentation Albums Sale Part Two
Oct 31-Nov 2 1983	NASCA		Abner Reed Sale (Reed/Rollins Archive?)
Apr 20 1985	McLaughlin & Robinson		Collection of Julian M. Leidman Sale
1986	Smythe		Memphis 1986
1986	Smythe		Stockton

<b>Auction Dates</b>	<b>Auction House</b>	<b>Sale Number</b>	<b>Sale Description</b>
Mar 7-10 1986	NASCA		Arverne Collection
Jun ?? 1986	NASCA		NASCA-Karp Sale
Nov ?? 1987	NASCA		NASCA Sale.
Apr ?? 1988			Boys Town
Mar ?? 1989	Smythe		Mascalus Collection Sale
Apr ?? 1989	NASCA		NASCA
Jun ?? 1990	NASCA/Smythe		Memphis sale
Mar ?? 1991	NASCA		NASCA
Mar ?? 1991	NASCA/Smythe	94	NASCA/Smythe sale
Apr ?? 1991	NASCA/Smythe		NASCA/Smythe sale
Jul ?? 1991	NASCA/Smythe		NASCA/Smythe sale
Nov ?? 1991	NASCA		NASCA
Dec ?? 1991	Smythe		Smythe Sale
Mar ?? 1992	Smythe		Smythe sale
Apr ?? 1992	Smythe		Smythe Sale
Jun ?? 1992	Lyn Knight		1992 Memphis Sale
Nov ?? 1992	Smythe	110	Smythe sale
1993	Lyn Knight		1993 St. Louis Sale
1993	Smythe		Smythe Memphis
Mar 17 1993	Stacks		Herman Halpern paper money
Jun ?? 1993	Smythe		Smythe sale
Mar ?? 1994	Christies		Christie's Hon. J. W. Middendorf III Collection Sale
Mar ?? 1994	Smythe		Smythe Sale
Jun ?? 1994	Smythe		Smythe Sale
Jul ?? 1994	Smythe		Smythe sale
Nov 4 - 5 1994	Smythe		St. Louis PCDA Sale
Feb ?? 1995	Lyn Knight		CPMX sale
Mar ?? 1996	Smythe		CPMX sale
Mar ?? 1996	NASCA		NASCA Sale
Mar ?? 1997	Bowers & Merena		Rasmussen Collection
Oct ?? 1997	Smythe	169	Smythe
Dec 2 1997	Spink		British American Banknote Company Archives
Jan 12 - 13 1999	Stacks		Reed/Leney & Rollinson Archive sale, Americana Sale
2000	Bowers & Merena		Philadelphia ANA Sale
Apr 12 2000	Stacks		Haverford Collection, Coin Galleries sale
Jul 12 2000	Stacks		Haverford Collection, Coin Galleries sale
Sept ?? 2000	CAA		Gordon Harris Collection Auction
Dec 9 2000	EAHA		EAHA Auction
Apr 1 2001	EAHA		EAHA Sale
Aug 21 2001	EAHA		EAHA Auction
Nov 16 2001	Smythe		New York City Fall Sale
Jan 15-17 2002	Stacks		Americana sale
Dec 7 2002	EAHA		EAHA Auction
Sep ?? 2003	CAA		Sazama Collection Sale
Nov 5 2008	Smythe	284	Summer Internet Americana, Stock and Bond
	CAA		Armand M. Shank, Jr. Collection,
	Lyn Knight		Glenn Martin Kentucky Collection Sale
	NASCA		Abner Reed Sale
	Smythe		Besante Collection sale
			Harley Freeman Sale
			Fred Werner Sale

THE  
PEOPLES NATIONAL BANK  
BROOKLYN IN NEW YORK  
WILL PAY TO THE BEARER ON DEMAND  
**FIVE DOLLARS**  
BROOKLYN CITY, NEW YORK, N. Y.  
JAN. 20, 1922

BANK OF ITALY  
NATIONAL TRUST AND  
SAVINGS ASSOCIATION  
IN SAN FRANCISCO  
WILL PAY TO THE BEARER ON DEMAND  
**FIVE DOLLARS**  
SAN FRANCISCO, CALIFORNIA  
JAN. 20, 1922

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JAN. 20, 1922

## Evolution of Title Blocks for Use on 1929 National Bank Notes

The title blocks shown on **Figure 1** were prepared at the Bureau of Engraving and Printing to demonstrate how typeset titles would look on the proposed Series of 1929 National Bank Notes. Take a close look because there is more to these than just the unusual fonts.

Figure 1. Mockup title blocks prepared in May 1928 at the Bureau of Engraving and Printing to illustrate what typeset title blocks would look like on small size National Bank Notes. These titles are slightly different from actual titles for Brooklyn (#9219) and San Francisco (#13044).



### The Paper Column by Peter Huntoon & Lee Lofthus

Co-author Lofthus recently discovered these specimens and the correspondence quoted or mentioned below in Bureau of Public Debt correspondence files in the National Archives.

The transition from large to small size currency by the Treasury involved a lengthy process that got seriously underway on August 20, 1925, when Secretary of the Treasury Andrew W. Mellon, a Coolidge Republican appointee, appointed the first of several committees to restudy the small note question. Every aspect of the conversion was considered, but one overarching objective was to adopt uniform designs. The faces of the new notes were going to look the same regardless of class and the backs for the different denominations were going to be of a uniform one-size-fits-all design.

The thorny question of what to do with National Bank Notes was deferred to last during the transition because everyone recognized that printing stocks of the new notes for all the issuing banks was going to be a nightmare. However, by the end of 1927 one concept had gained traction throughout the Treasury Department. That was that the bank information would be overprinted on otherwise uniform face stock. Everyone wanted to avoid having to create and manage a stock of thousands of different face plates that otherwise would be required.

To this end, Ogden Mills, then Undersecretary of the Treasury, requested on December 27, 1927, an opinion from the Solicitor of the Treasury at the Department of Justice whether overprinting of the bank information would be permitted by the current statutes. An affirmative answer was forthcoming on January 10, 1928.

Left to be done was to determine just what needed to be overprinted.

Without giving much thought to details, William S. Broughton, Commissioner of the Public Debt, requested specimens of typeset title blocks from Alvin W. Hall, Director of the Bureau of Engraving and Printing.

The fabulous samples that Hall submitted May 18th are those reproduced here.

Notice that the form for these is a direct lift from the Series of 1902 notes right down to inclusion of a postal location and plate date. Compare the specimens on **Figure 1** with those on **Figure 2**.

**Figure 2.** Series of 1902 title blocks served as models for the BEP mockups by notably incorporating the postal location and plate date, which appear in script. Dates found on 1902 notes include the date of organization, date of extension and date of title change.



Hall was honoring the legal definition of bank title, which is "the exact name of the bank, including the name of town, but not that of state." The bank titles on his mockups were positioned above the will-pay line. The postal location and plate date, which were written in script on large size notes, appeared below.

The mockups gave Treasury officials something to chew on. The following self-explanatory letter was sent May 24th by Henry Herrick Bond, Assistant Secretary of the Treasury, to Comptroller of the Currency Joseph W. McIntosh.

In connection with the reduction in size of the paper currency of the United States the Department has under consideration for National bank notes imprinting of the titles of the issuing banks by surface process from electrotypes on blanks otherwise fully engraved. At the present time on National bank notes the obligation of the issuing bank is stated in the following form:

The  
First  
National Bank  
of Lebanon  
Will pay to the bearer on demand  
Ten Dollars  
Lebanon, Virginia July 1, 1907

The entire obligation above quoted could be included in one electrotype. It seems desirable, however, to engrave the amount in the plate and at the same time to retain in the plate the line "will pay to the bearer on demand." If the two lines in the obligation as underscored above are retained as engraved work, and the form of the obligation is not changed, two sets of electrotypes will be necessary - above for the title, and below for the address and charter date. This is impracticable, however.

To obviate the difficulty, it has been suggested that the charter date be omitted and that the address be placed immediately below the bank title. The obligation will then appear as follows, the engraved work being underscored:

The  
First National Bank  
of  
Lebanon  
Lebanon, Virginia  
Will pay to the bearer on demand  
Ten Dollars

I am not sure but that the name of the town "Lebanon" could be omitted in the second instance, and the name of the state "Virginia" placed in parenthesis so as to show it is not a part of the title. The obligation would then appear:

The  
First National Bank  
of  
Lebanon  
(Virginia)  
Will pay to the bearer on demand  
Ten Dollars

Will you please let me have your opinion on the points raised above: (1) whether there will be any objection to the omission of the charter date; (2) whether the location of the bank may be placed directly under the title; (3) in cases where the name of the town is included in the official title of the bank, whether there would be objection to omitting it as indicating location, where there could be no possible misunderstanding as in the above instance.

McIntosh replied the next day that he saw no problem with any of these points. In particular, he advised that the use of plate dates no longer served any purpose because National Banks had perpetual succession under the terms of the McFadden Act of February 25, 1927.

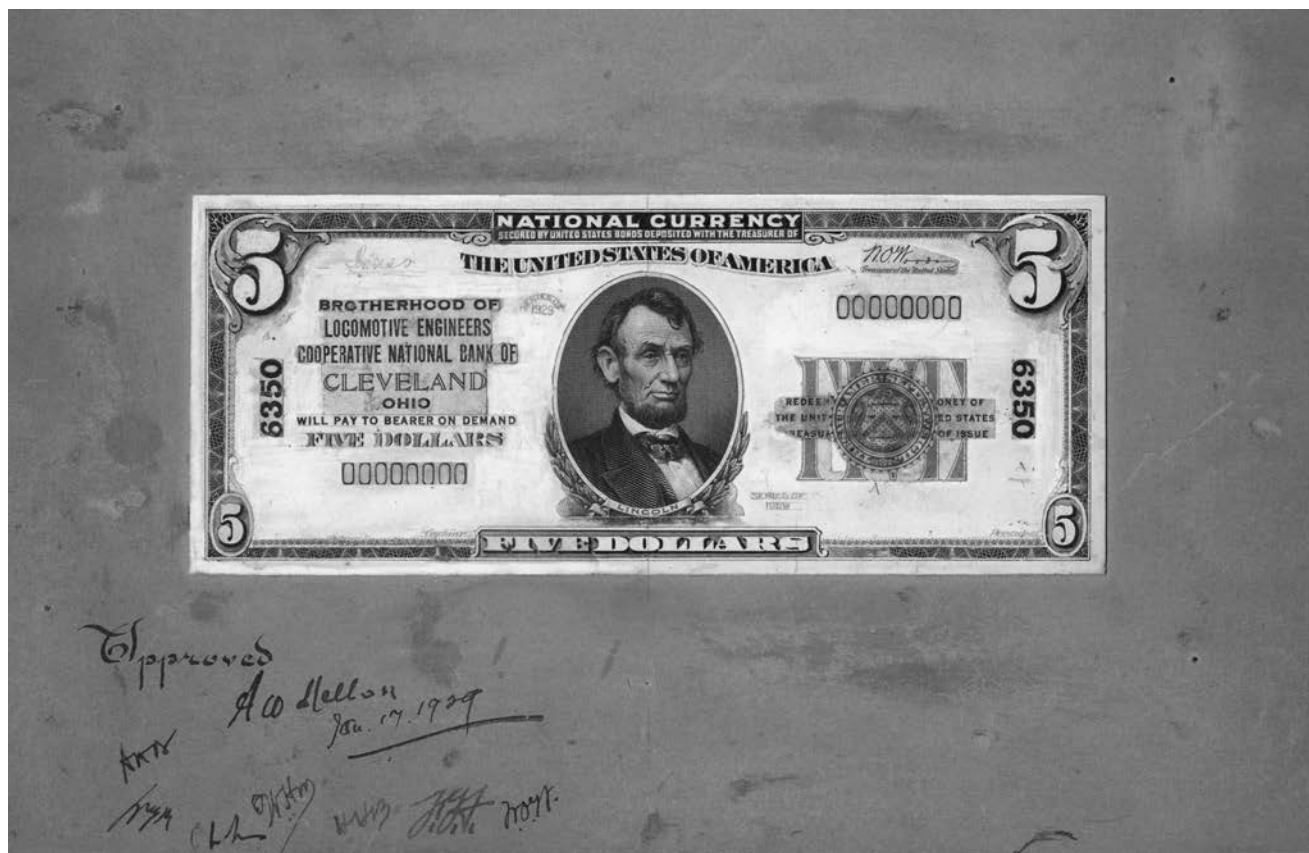


Figure 3. Paste-up and largely hand-drawn model for the \$5 Series of 1929 National Bank Notes approved by Secretary of the Treasury Andrew W. Mellon and his subordinates on January 17, 1929. (Photo courtesy of the National Numismatic Collection, Smithsonian Institution)

Similar deliberations followed concerning the charter numbers and bank signatures. \$5 and \$10 models were submitted by the Bureau after Treasury officials rendered a few minor tweaks including elimination of the parentheses around the state. The models were approved by Secretary Mellon on January 17th, 1929. The \$5 is shown here as **Figure 3**.

### Source for Information

Correspondence files: Bureau of the Public Debt, Series K Currency, box 12, file 722 (53/450/54/01/06 box 12), U. S. National Archives, College Park, MD. ♦

## SPMC President names two new board members

SPMC President Pierre Fricke announced two new board members Kathy Lawrence and Jeff Brueggeman to fill out vacancies on the Society board of governors.

After being introduced to coins by her grandfather at age 7, Kathy became a collector. Over time, her interests expanded to paper money, tokens, and medals. She has served in a variety of capacities for local, state, and national organizations, including President of the Dallas Coin Club, Youth Chair for the Texas Numismatic Association, and as an ANA volunteer at several conventions and Summer Seminar.

She co-designed the medal for the 2010 ANA National Money Show in Fort Worth. Kathy served as editor of the *Dallas Coin Club Newsletter* and *Fort Worth Coin Club News* and created and edited the *TNA Youth Newsletter* for which she received an Extraordinary Merit award from the Numismatic Literary Guild.

In addition, Kathy has received local, state, and national awards for writing and editing. One of her pas-

sions is colonial paper money and she has given programs to a variety of groups, including the Sons of the American Revolution. Along with SPMC, her club memberships include life member of the ANA, TNA, and Civil War Token Society. Before starting her own business in 2012, Kathy worked for Heritage Auctions as a currency cataloger for three and a half years. She continues as a professional numismatist working with paper money and coins, as well as tokens and medals.

Jeff Brueggeman was born in Akron, OH and graduated from the University of Illinois at Urbana-Champaign with a PhD in Mathematics in 1998. Since then he worked in insurance for a few years and after that managed his personal investments. In 2003 he started collecting large and small size U.S. type notes. His collecting specialty is Federal Reserve Bank Notes. In 2010 he started Action Currency, which specializes in sales of large and small size U.S. type. ♦

# Detecting 'Enhanced' Notes

By Jeff Sullivan

**A**S MORE REPAIRED NOTES ARE CONSTANTLY ENTERING THE marketplace, it is vital for collectors to be made aware of ways to help detect when a note has been repaired or altered. It is only then that a collector can make a truly informed decision whether to purchase such an item.

With the advent of paper money being encapsulated, it takes away a few of the steps that a collector uses to determine a note's genuine state of preservation.

One step I am referring to is the "feel" of the note. Many pieces of paper money have been "pressed" in order to give the note more rigidity, and thus the impression that the note is of a better grade, or quality. "Pressing" is basically taking a note that has minor folds or limpness and "pressing it" under heat, with an electric iron for instance, in order to give the note more stiffness. Sometimes starches or other chemicals are used, which in this case a light sheen may appear on the note. A pressed note has a different feel to it than a note that has not been pressed. Prior to encapsulation, a collector would be able to "feel" a note by rubbing his fingers across the note, however, with encapsulation, this important process has been taken away.

The second step taken away is the "smell" of the note. Yes, there is such a thing as "The Smell of Money." New currency in particular has a distinct smell to it. If a note has been "processed" with a starch or other chemical you would be able to smell that in the note, but with encapsulation this is no longer possible.

The third step that has been taken away with slabbed currency is that of looking at a note raw, out of a holder. The important step here is to view a note three quarters of the way out of a holder and holding it up to the light and with the holder, giving the note a slight curvature or angle and slowly turning the note in the light. This process is also referred to as "candling a note." After examining both sides of the top of the note, take the note out of the holder and repeat the process on the bottom half of the note. Aside for looking for pinholes in a note, which can still be done with encapsulated notes, you are more importantly looking for bent fibers or very light folds in the paper itself. As always, ask before removing a note from a holder that does not belong to you. Better yet, have the owner of the note remove it for you.

But there are other techniques that collectors can still use on a note that has been encapsulated, or not. One of them is the use of a stereo-microscope and the other would be the use of computer programs used to enlarge notes on the computer screen to closely view a note. These applications however would not be practical to take to a paper money convention. But another tool you can use to scan a note with is a Long Wave Ultra-Violet Black Light. This is a tool that every serious paper money collector should possess. I want to stress again, *Long Wave*, not Short Wave. A Long Wave Ultra-Violet black light has the long wave length, low frequency and low energy and is very safe to work with. The Short Wave black light however, has a short wave

length, high energy and high frequency, and if not used correctly can permanently damage your eyesight.

This article pertains to the *Long Wave* black light only.

• • •

Without going into the scientific description of Ultra-Violet lights and how they work, I want to stick with the application that collectors would use. Long Wave Ultra-Violet Black Lights come in many sizes and configurations, from commercial to residential use. They can come with either incandescent or fluorescent bulb designs, and with different bulb wattages as well, all depending on the application.

For collectors, we would use a lamp that would sit on a desk that has an electrical plug-in cord, I prefer an incandescent bulb with a high wattage for this application. There are also small hand-held, battery operated lights that can be carried around in your pocket and transported to shows or auctions. These portable lights have a small fluorescent bulb and because they work mostly on 4 AA batteries the wattage of the bulb is very low, therefore, you must be more diligent, and look harder at a note.

And yes, if you were a teenager in the 1970s the black light that you used on posters in your bedroom is a Long Wave Ultra-Violet black light, and will work just fine.

A procedure that I use is to turn off all the lights in the room then turn on my black light. I then scan a note under the light: while scanning I am looking for two things, (1) a “*difference*” in paper contrast, and (2) a “*glow*.” While looking for a contrast you must proceed very slowly for the contrast at a repair point can be very subtle, which indicates that the restorer did careful, meticulous work, other times the contrast will be very obvious.

A contrast can indicate two things. First, it could indicate different types of paper, one original paper, the other the “*filler*” paper. An example would be if a restorer needed to add paper to a note that had a hole in it, or if a large piece of one of the corners was replaced. The second thing a contrast would indicate is where the original paper met the paste that was used to make a repair, at a split or rip in the note, where no filler paper was needed, for example.

While scanning a note, if you find a radiant “*glow*” or “*fluorescence*” at a certain spot on the note, usually in the color of violet, or purple, this will indicate the presence of “*phosphers*” which are present in the chemical or paste being used to make the repair.

Scan both sides of the note, but most repairs are done on the back of a note. Obsolete notes are the easiest to look at as there are no back designs on most of these notes for the repair to blend into.

While outside of a controlled setting, say at a paper money convention, I use a sheet of black construction paper to use as a backdrop to the note that I intend to look at, I then try to turn my body in such a way as to try and block out any overhead lighting in order to cast a shadow over the note, then I will proceed scanning the note with a black light.

Appraisers use black lights to detect forgeries or repairs. Most modern-day paints and glues contain phosphers, while older paints and adhesives do not. White paper made prior to 1950 does not contain fluorescent chemicals. Commercial paper made after 1950 contains fluorescent chemicals in order to make the paper look whiter. U.S. and world paper money does not contain phosphers and by itself will not fluoresce, however, most newer paper money of the world does contain symbols or lettering that do contain phosphers and these items will fluoresce. This is done to keep one step ahead of counterfeiters.

Hopefully you have gained some knowledge through this article and will become more prudent when making a paper money purchase. ❖

## *Paper Money* editor Fred L. Reed III releases *Civil War Stamp Envelopes, the Issuers & Their Times*

**B**NR PRESS ANNOUNCES THE MID-OCTOBER RELEASE of *Paper Money* editor Fred Reed's latest book, *Civil War Stamp Envelopes, the Issuers and Their Times*, 672 pages, 8.5 x 11 inches, approx. 1,500 illustrations, \$59.95 softcover or \$79.95 hardcover (not Smyth-sewn), postage, handling and insurance per book \$10.

Noted Civil War student and author Fred Reed's latest opus on the turbulent monetary period of the U.S. Civil War era, *Civil War Stamp Envelopes, the Issuers and Their Times*, is available for purchase right now, according to a spokesman for the publisher, BNR Press, Portage, Ohio.

The columnist and feature writer is well-known in the hobby for his intensive research and writings, and the new book is his second in a projected seven-volume look at mid-19th century money. This series, "A Numismatist's Perspective of the Civil War" began 19 years ago with the similarly titled companion volume, *Civil War Encased Stamps, the Issuers and Their Times*. That book, also published by BNR Press, earned several major hobby and publishing awards, and finished high on the Numismatic Bibliomania Society's survey of the "most important" numismatic books of all time.

Reed calls the new book Part III of his series. His encased stamp book was published as Part II. Part I will look at the federal and private Postage Currency. Part IV looks at Civil War era counterfeiting. These last two subjects have been special interests of the author for many years, and have been addressed repeatedly by Reed in the various numismatic periodicals.

"Readers familiar with the earlier book will feel at home this time around too," Reed notes. "My book covers the same fertile ground, the Civil War small change shortage of 1862-1863 that gave rise to the encased stamps that I wrote about years ago, the Postage Currency that I have addressed frequently in my *Bank Note Reporter* columns, and now these Civil War postage stamp envelopes that I catalog, illustrate and provide history, rarity, and prices for in the new book," he added.

The book is subtitled "A History, Merchant Chronicle, Catalog, [and] Auction Summary, of the Postage Stamp Envelope Emergency Money of 1862." The author provides amply illustrated chapters, essays that he labels "merchant chronicles," on each of the 128 known issuers of this emergency scrip. The catalog numbers employed in the new book are the same ones collectors have already become familiar with in the last two editions of the Art and Ira Friedbergs' *Paper Money of the United States* for which author Reed provided a catalog extract from the present work that was published in the 19th and 20th editions of *PMUS*.

Reed's new opus catalogs 514 different varieties of the small envelopes that were printed to contain and preserve U.S. postage stamps in circulation as small change in summer and fall 1862.

Almost all varieties are illustrated, and extensive census and provenance data given, along with auction prices realized for these scarce monetary instruments over the last century of their active collecting.

"Collectors and dealers too will finally know which of these pieces are actually the rarest and potentially the most valuable instead of guessing or having to rely on the uninformed opinions of others," Reed jested. "For the last 40 years this marketplace has been a crap shoot, a roller coaster ride up to and over the

five-figure price level with no seatbelts. My book will level the playing field among those who have access to its wealth of information. Then dealers and collectors alike can make informed, intelligent purchase and sales decisions," he said.

The author credits more than 200 individuals and institutions for their assistance. Several of the prominent auction companies in this field unselfishly provided him illustrations and information, he notes.

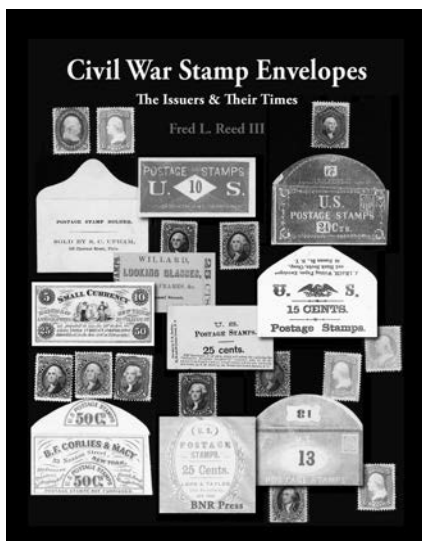
Reed also thanks Central States Numismatic Society and the Society of Paper Money Collectors who provided grants supporting his research over the past six years. A journalist for more than 40 years, Reed also develops for the first time ever the narrative history of the collecting and cataloging of this series that spans numismatics, philately, and paper money collecting.

Reed has also had unprecedented access to all the great collections of the last two generations, and learned a great deal of "inside scoop" that is faithfully reported here for the first time ever. "I'm proud to say that the 'fore-matter' of the book includes essays by Chet Krause and Art Paradis, the two individuals who have formed the largest known collections of this series ever put together."

An adaptation of the introduction to this book that appeared in *Paper Money's* issue of July-August 2012 to celebrate the 150th anniversary of Congress monetizing "postage and other stamps" that gave rise to this curious medium of exchange won an "Extraordinary Merit" award from the Numismatic Literary Guild in Chicago this past August.

"Postage and Fractional currency collectors especially should be interested in this forerunner stamp money," author Reed suggests. Knowing why, how and when these emergency instruments were used in the marketplace can bring the fractional note collectors additional insights and pleasure with their own collections whether or not they choose to embark on this until now poorly-delimited and quantified series," he added.

Books began to ship in mid-October. Orders may be sent to the author Fred Reed at Department PM, PO Box 118162, Carrollton, TX 75011-8162. Please include correct postage (\$10/book for postage, handling & insurance), Reed noted, and whether you want the volume(s) autographed. Information on bulk order discounts may be obtained from the author at [fred@spmc.org](mailto:fred@spmc.org) or through his website [www.fredwritesright.com](http://www.fredwritesright.com) and mention you heard about the book in *Paper Money*. ♦



## The President's Column



The biggest numismatic event of the summer is the American Numismatic Association (ANA) World's Fair of Money. This year, the show returned to the Chicago area at the convention center in Rosemont, Ill. I've attended many of these shows over the years and began setting up a table last year. While the ANA show traditionally majored on coins and still does, currency plays an increasingly larger role on the bourse floor with many paper money dealers, in the lecture series, in the exhibits, at social events, at the auction with this year featuring a very significant run of paper money across obsolete, Confederate and Federal, and, of course, the Society of Paper Money Collectors (SPMC) meeting, table and socializing. Along with Memphis and FUN, this is a major event to attend for almost any paper money collector!

The ANA convention lasts most of a week which enables one to deeply dive into whatever areas of numismatics one fancies. For me, its catching up with many long time friends and making new ones, sharing paper money finds, swapping, buying and selling notes, attending what events I can and the SPMC meeting. This year, we held the meeting before the bourse opened to allow people maximum time for other events. We had good attendance with more than a dozen present. It is great to get to these early to share stories and to catch up in general.

At the SPMC meeting, Wendell Wolka was the featured speaker and did a great job taking us through Civil War (aka War for Southern Independence) financial history and the money for both sides. This is a very interesting perspective. Rather than collect a series, collect the war time money on both sides, which can be done in many different ways ranging from affordable examples of each category all the way to landmark collections across the spectrum. The Union produced demand and legal tender large size notes, obsolete and national currency, fractional currency, encased postage, tokens and other things. The Confederacy produced Confederate treasury notes, state issued notes, obsolete notes, other financial instruments such as depository receipts and local scrip. Despite being a collector of almost all Confederate items and some Union money, I learned some interesting things about how some of this diversity came about and why. This is what makes attending these SPMC meetings at local, regional and national shows when present such a good time and a learning experience. I encourage all to take an hour out during the day or morning to stop in at future events!

We had a good meeting at the Raleigh Coin Club convention in July. Many thanks to Bob Schreiner, our presenter, whose topic was "Fraudulent Paper Money," evoked much interest judging from the follow-up questions. These meetings are always fun and educational!

On the internet front, we continue to polish our new web site – [www.spmc.org](http://www.spmc.org) – to make it more informative, easy to use

and to build an online community. Shawn Hewitt continues to do a yeoman's job leading this effort with help from an increasing number of SPMC members. This expanded and enhanced online presence is one of the key activities we are investing in to bring the wonders of our hobby to larger audiences and we need your help! We are looking for bloggers (<http://www.spmc.org/blogs>) to wax on about their favorite part of the hobby and help get more people interested. Look at it this way, you would be helping build the next generation community, leave a greater legacy and build interest in your specialty! We need more participation in the forums / discussion groups (<http://www.spmc.org/forums/forums/general-discussion>) as this also helps build the next generation community, and more. The event calendar (<http://www.spmc.org/calendar>) is a wonderful tool and you can contribute to it as well. Please consider investing an hour or two a month contributing you knowledge and experience in these online communities. We all will be better for it!

Other major news for SPMC was the difficult decision to raise dues prices, the first in twelve years. Over the past twelve years, we've seen both operating costs increase as well as investments in the future of the Society, most notably the web site. Operating cost increases include printing and shipping our journal, *Paper Money*, and printing and shipping other communiqués such as dues payment reminders and such. We are not the only non-profit and/or numismatic organization faced with these challenges, and some have waited so long they had not only to increase dues but reduce services to their communities. At the Memphis IPMS board meeting and subsequent conference call in July, your board decided to increase dues to stave off harsher measures later and to maintain existing level of services and investments in our future. The base annual dues for U.S. members increases from \$30 to \$39 effective for the 2014 calendar year membership with other increases communicated in the September/October 2013 issue of *Paper Money*. As a promotion to attract traffic to our web site, one can renew your membership now (<http://www.spmc.org/signup>) for the \$30 price (U.S. members) through the end of the year.

This fall, we look forward to being at the Whitman Baltimore "Winter" show in November which, like ANA and FUN, has become a significant currency show as well. Then after the New Year comes one of the big ones, Winter FUN in Orlando where we have a significant SPMC presence and meeting planned. Winter in Orlando, FL is a great get away from the cold Northeast where I currently reside, or the even colder Midwest and plains states. We hope to see you there!

I am presenting two nominees for SPMC Governor positions. Jeff Brueggeman currently serves as our Librarian managing the books that we offer on loan to members. His collecting specialty is Federal Reserve Bank Notes. In 2010 he started Action Currency, which specializes in sales of large and small size U.S. type. Kathy Lawrence is probably best known for her service as a currency cataloger at Heritage Auctions. One of her key areas of interest is U.S. Colonial paper money. Both Jeff and Kathy will make fine additions to our board!

*Pierre*



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**Paper Money** will accept classified advertising on a basis of 15¢ per word (minimum charge of \$3.75). Commercial word ads are now allowed. Word count: Name and address count as five words. All other words and abbreviations, figure combinations and initials count as separate words. No checking copies. 10 discount for four or more insertions of the same copy. Authors are also offered a free three-line classified ad in recognition of their contribution to the Society. These ads are denoted by (A) and are run on a space available basis. **Special: Three line ad for six issues 'only \$20.50!'**

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# U n c o u p l e d: *Paper Money's* **Odd Couple**

*Special Army Currency*  
**Joseph E. Boling**      **Fred Schwan**



This month we look at the successor to Allied military marks, known officially by the nondescriptive title "special army currency." Here we find disparate issues, and varieties among the issues. Three contractors were used to produce the special army currency notes, with different printing technologies. Forbes Lithograph Manufacturing Co. and Tudor Press produced lithographed notes in denominations of half-mark through fifty marks. The notes say "deutsche mark," the first use of that term, but to keep things simple I am going to call them simply "marks." The Forbes notes (½ mark and one mark) do not bear serial numbers. The Tudor notes (2, 5, 20, and 50 marks) were numbered, separated, and packed at the BEP. The notes printed by ABNC (10, 20, 50, and 100 marks) are intaglio and were finished where printed.

In one respect the notes of all three printers are similar - they are on unwatermarked paper with embedded planchettes. However, even here there are differences. Some or all of the ABNC planchettes contain red and blue threads - the first time we have observed that microscopic feature (**Figure 1**).



**Figure 1 - planchette in an ABN 100-mark note, showing red and blue threads within the planchette.**

You may think that the low-denomination notes (through 5 marks) look somewhat like MPC. It turns out that they are very much like MPC. In addition to being lithographed on planchette paper, they also have ultraviolet characteristics identical to the MPC that had been introduced only two years earlier. All of the lithographed printings (including the larger 20- and 50-mark notes from Tudor) have serials that turn brown under UV, and UV-reactive tints (**Figure 2**). This is a sure-fire way to separate genuine notes from counterfeits, and there are some pretty good counterfeits to be found.

As well as some pretty bad ones. While most of the fakes try to simulate the planchettes, not all do, and the simulations are

**Please turn to page 458 . . .**

AM marks were the notes that just kept on giving and giving. The Russians issued the notes liberally (putting it mildly), and the GIs jumped on the chance to make some money. After all, what did a little black market hurt, anyway?

Official actions to control the black market generated two official barter stores (Berlin and Frankfurt). Together they have at least five issues of money.

The British, then the Americans, created and introduced their own canteen money, giving us British Armed Forces Special Vouchers and Military Payment Certificates. Finally (or perhaps not finally), the AM mark black market gave us the deutsche mark in the form of "special army currency." I would dearly love to know the source of that name, but that seems to be lost. We are so accustomed to the terms British Armed Forces Special Vouchers and especially Military Payment Certificates that it seems like they have been with us forever, like Silver Certificates. No, those terms were simply made up in 1946. Likely that is also how we got "special army currency" in 1948—out of a hat.



**Berlin, 25 June 1948. German citizens receive the new deutsche marks. On the desk is the reichsmarks declaration certificate, old reichsmarks, and the new marks. (U.S. Army photograph)**

On June 20, 1948, the U.S., British, and French authorities conducted a currency reform in their respective zones, introducing the deutsche mark. The conversion was a major undertaking.

Bank accounts were blocked and AM marks were exchanged one for one, but many details remain to be reported.

In Berlin the notes were over stamped and/or perforated "B" for Berlin. The (apparent) reason was so that authorities could see traffic of notes between Berlin and the western zones of Germany. It is likely that this was an afterthought. If it had

## Schwan continued . . .

been part of the original plan, it would have been a simple (and much easier) matter to print a “B” on a portion of the issue at the time of manufacture.

The relationship between the stamp and perforation is also not known. Was the plan to do one or the other, but the task was too great? I have a bit more to say about the Berlin marks below. For now, let me say that the notes with these marks are extremely popular with collectors.

Four days later several important things happened. My wife, Judy, known round the world as “the boss,” was born, and the Soviets responded to the conversion of AM marks to deutsche marks. I do not think that Judy’s parents took notice of the introduction of the new mark, but the world did.

On the day of the currency reform in the Soviet zone, the Soviets closed the corridor into Berlin from the western sectors. The move effectively isolated West Berlin and was viewed as an attempt by the Soviets to drive the Americans, British, and French from Berlin. It is known as the “Berlin blockade.” For the 10½ months that followed, West Berlin was supplied by air, the Berlin airlift.

The notes issued in the Western zones that June are just what collectors love—complex.

**Top: Famous, rare and desirable Tudor 50 deutsche mark note, also 100DM and 2DM notes. The 2DM is a replacement note.**

With complexity comes variety. Notes were issued in denominations one-half through 100DM. They do not have an issuing authority or signatures. Instead they are designated Series 1948 and have the quaint major legend “banknote.” The apparent idea was to have the low denominations lithographed and the higher denominations intaglio.

In case you need proof that these are complex issues, below is the list for just the 2DM Series 1948 note from the working draft of the second edition of our *World War II Remembered*. These listings include a cherry-picking secret. The two printings for the 2 mark notes have not been previously published. If you have studied this column and are so inclined, you can now add notes from two printings to your collection.

The denominations below 10DM were lithographed by Forbes Lithograph and Tudor Press. The denominations 10 through 100DM were intaglio by American Bank Note Company. It all fits together nicely, except that Tudor also lithographed 20 and 50DM notes. Furthermore these two notes do not have a series designation.

Why were there both lithographed and intaglio versions of the 20 and 50DM denominations? Likely it was not decided that the high denominations should have the greater security of



Berlin. 26 July 1948. This marvelous ACME photo (by Jol Schupre) is inside the Telegraf offices in Berlin.

Please turn to page 459 . . .

## Boling continued . . .

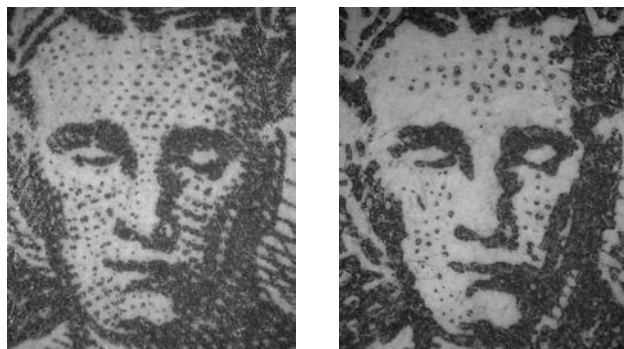


Figures 2a and 2b - 1-mark note under white light and ultraviolet.

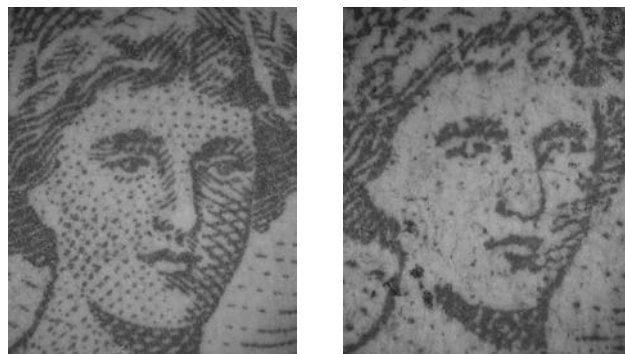
not always convincing. In addition, some of the counterfeit serials are clearly non-standard - with mixed font sizes, because the counterfeiters could not come up with eight-wheel numbering machines (reminds us of the Soviet-printed AM marks - see last issue's column) (Figure 3). But particularly among the five-mark notes, there are some deceptive counterfeits. The portrait of the



Above, Figure 3 - irregular serials; the blocks and first two numerals are smaller than the other six numerals. Below, Figures 4a and 4b - architect from 5-mark note (genuine on the left).



architect on the original note is of distressingly low quality, and not especially hard to copy (Figure 4). The woman on the 2-mark note is harder to copy convincingly (Figure 5).



Figures 5a and 5b - woman from 2-mark note - harder to copy well.

Fred will have talked about the Berlin markings placed on some of the special army currency notes. We have seen no counterfeits of the perforated version, but the stamped version is pretty easy to copy. One seller in England has sold a couple dozen



Figure 6 - pink and blue shadowing along the edges of a digital replica of the Berlin B-stamp. Figure 7 - all-black digital replica of the Berlin B-stamp. Note the steplike pattern, an artifact of scanning a curve. Figure 8 - genuine rubber stamp.

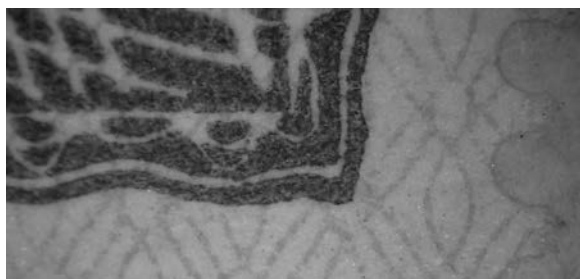
digital replicas of them over the past year. He began with all of his colors turned on, so that faint red and blue shadowing accompanied the bold black of his "stamps" (Figure 6). The most recent versions have had the colors turned off, so only black is being laid down, but this is actually easier to separate from true rubber stamp images than the earlier productions (Figure 7). This faker has trouble getting his images precisely the correct size. Genuine Berlin "B" rubber stamps (Figure 8) are 32mm tall (while nominally circular, the horizontal measurement is more variable because of smearing as the stamp is applied). The digital replicas are 33-33.5 mm tall.

After the "big three" sprang the unexpected conversion of AMC marks on the Soviets, the latter had to come back with their glued-on labels revalidating the pre-occupation reichsmark and rentenmark notes. And you thought totalitarian states might be able to suppress counterfeiting? Of course not. The revalidation labels were also counterfeited. Genuine ones are both printed and embossed (Figure 9). Most counterfeits are of somewhat lower print quality, and lack both the embossing and the faint lattice-work background behind the main image (Figure 10). Presence or absence of embossing can be hard to see in a circulated note, and I can't guarantee that embossed counterfeits were not also produced. Fortunately, most of the labels did not circulate very long before the first DDR notes were introduced.

More funny stuff next visit.



Figure 9 - Soviet revalidation label lit to show the embossing.



Figures 10a and 10b - genuine (top) and counterfeit (above) Soviet revalidation labels for the June 1948 currency reform. Note the background lattice-work and regular perforations on the genuine example.

## Schwan continued . . .



Berlin, 25 June 1948. Germans of the American sector line up before the Dresden Bank to receive new marks. (U.S. Army photo)

intaglio printing until after the litho notes had been printed, but I am far from certain.

The (Tudor) litho 50 mark note is rare, famous, and desirable. It is usually said that it circulated only a few days. This makes a little sense since the intaglio notes were available, but if that is the case why were they issued at all? It should be possible to solve this matter.

Combine a rare note and a popular overprint and you are cooking up an explosive mixture.

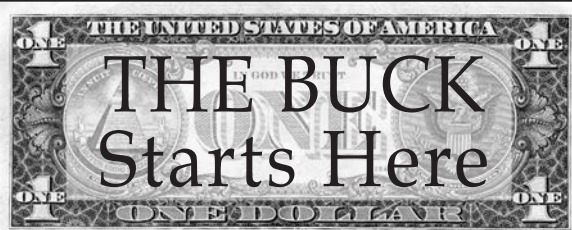
Just about all of the Tudor 50DM notes seen are in the range D203838xxD and D203839xxD. I do not know if all 200 from these groups still exist in collections, but many of them do, and as you would expect, they are all uncirculated. Now for the critical part. The only reported sales of these notes with Berlin markings are from this block of 200 notes. The sales were in public auctions.

I did not get to examine any of these notes with "B." Even if I could, I do not have the skills that Joe does to unravel fakes. Still, I must tell you that I am confident that the "B"s on those notes are, shall we say, not vintage. If a group of uncirculated notes in serial number order survived, would a few of them sprinkled through the bundles have the "B" overprints? I will be happy to take all of this back if someone will allow Joe to examine one of these notes.

I cannot wrap this up without mentioning replacements. I just love 'em and "special army currency" replacements are among the best. First for the easy stuff. As usual, the American Bank Note Company notes have no replacements (that we know of). The Forbes notes (the two low denominations) are not numbered, so no identifiable replacements were needed.

The Tudor issues used a system where blocks G-G are replacements. This was very unusual then and now. It is very different from a star system where only one letter of a block is replaced with some other (usually special) character. All of the replacements are rare. Of course the higher denominations are more rare, but they are nonetheless all rare.

Having made the case that these are unusual replacements, there is an interesting somewhat similar system from the period. Allied military yen replacements use the letter H as a prefix. It seems too much to accept as coincidence that two such unusual issues used consecutive letters in very different replacement systems. The only connection between the issues is that the printings of both were supervised by the Bureau of Engraving and Printing (in fact, the Bureau numbered and separated the Tudor printings). I do not think that that is enough of a connection to tie them together, but I love the connection nonetheless.



## A Primer for Collectors BY GENE HESSLER

### Odd denominations

SOME OF US HAVE A FEW RELATIVES THAT WE Sacknowledge, but prefer to come in contact with only when necessary. Some feel the same way about \$2 bills. They are part of our money system, but some of us prefer to distance ourselves from them whenever possible.

State banks that flourished before the National Banking Act was passed in 1863 often issued \$2 notes, and many of them issued \$3 notes and other odd denominations as well. The U.S. government authorized a \$3 note on two occasions: the Act of July 11, 1862, and the second National Banking Act of June 3, 1864. Although designs were prepared as a result of the 1862 legislation, no \$3 notes actually were issued under either Act.

Denominations of "3" are used in a few countries. Cuba issued a 3-peso note, Bulgaria had a note for 3-leva, and the independent Kazakhstan has a 3-tenge note. (Myanmar [Burma] issued a note for 15 kyats, and perhaps is the only country to recently issue notes in this denomination. This Asian nation also issues kyat denominations for 25-, 35-, 45-, 75- and 90-; all but two are multiples of 3, an auspicious astrological number. All numerals are divisible by five, another number of importance in former Burma.)

How do you think \$15 notes would fit into our currency system? When demand notes were discussed in 1861, a \$15 denomination was to be part of the first order from American Bank Note Co. This same denomination—in the form of interest-bearing treasury notes—that would bear interest at 3 65/100% was also mentioned in a letter dated July 26, 1861, from Assistant Secretary of the Treasury George Harrington to Assistant United States Treasurer John J. Cisco. There is no record that either \$15 note advanced to the design stage.

In our own country, Secretary of the Treasury Salmon P. Chase recommended the issue of a \$25 note. However, the Act of July 17, 1862, which authorized Demand Notes, interest-bearing treasury notes and the first United States (legal tender) notes, did

not include Secretary Chase's suggestion. This Act ultimately authorized interest-bearing treasury notes in denominations of \$50 or more. (Bulgaria, Cayman Islands, French West Africa, Mauritius and Switzerland are a few countries that have issued notes in denominations of 25-. Canada released a one-time \$25 note in 1935 to celebrate the silver jubilee of England's King George V.)

Writing for the March 8, 1862, issue of *The Banker's Magazine*, Pliny Miles, who reported on the affairs of the U.S. Treasury, was premature in reporting on interest-bearing treasury notes that he assumed would include a \$25 denomination. Mr. Miles stated that "these notes will combine two great conveniences...they will serve both as a permanent investment and a circulating medium." He went on to say that these interest-bearing notes will grow and increase every day they are in one's possession. This note, particularly if issued in as small denominations as \$25 and \$50, will have a peculiar fascination; a father will say to his children, now be economical, save your pocket-money, and I will buy you a Treasury Note."

It was the opinion of Mr. Miles that "some of the first financial minds of the age have pronounced these notes...the best



U.S. Treasury Secretary Salmon P. Chase thought a \$25 bill would be a good idea when the U.S. Treasury turned to fiat paper to finance the Civil War. Although not a common denomination prior to the war, the \$25 notes were not unknown, as this railroad note proves.

mode of investment." *The Banker's Magazine* article closed with the writer reminding the reader that the new treasury notes will "constantly augment one's wealth...[and] grow in value, even while sleeping." Mr. Miles was undoubtedly disappointed—only \$50, \$100 and \$500 notes were issued.

Although the U.S. fractional currency issues includes 3-, 15- and 25-cent notes, these units never made it to the printing press as dollar denominations. As part of our present currency system, \$3, \$15 and \$25 notes would not be acceptable if added to current denominations. However, a \$25 note probably would be accepted if the \$20 note were discontinued. There is little purpose in speculating about this possibility. Although Secretary Chase recommended the denomination in 1862, I think we can safely say the \$25 note is not only a denomination that might have been, but is also a note that will never be.

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# Small Notes

by Jamie Yakes

## Recycled 1928D \$10 Chicago Plates

THE TREASURY ISSUED THE FIRST LEGAL TENDER FEDERAL Reserve Notes as the Series of 1934.<sup>1</sup> Initially, however, they intended to retain the 1928 series date.<sup>2</sup> Because of this, three \$10 Series of 1934 Chicago Federal Reserve Note plates actually began life as Series of 1928D plates.

In May 1934, the BEP started making small groups of \$10 1928D Boston, New York, and Chicago \$10 plates. The plates were a direct consequence of the earlier Agricultural Adjustment and Gold Reserve Acts. These required them to have legal tender clauses promising redemption only for lawful money.

Eventually, the Treasury changed course and decided the Series of 1934 better signified those changes, as that was the year the design was approved. The BEP would cancel most of the 1928D plates in 1935, except for three Chicago plates.

The plate ledgers illuminated their story. The entries for 1928D Chicago plates 2, 3, and 4 had been canceled, with the comment "Changed by Engr[aving] Div[sion] to 1934, 3-4-35."<sup>3</sup> A separate ledger showed the same plates finished in April and May 1935 as 1934 Chicago plates 32, 33, and 34. The BEP subsequently used all of them.<sup>4</sup>

A key question surfaced: Did the 1928D Chicago plates actually exist or were the assigned plate numbers simply reused? How the BEP produced the modified 1934 plates would reveal the answer. In fact, it was literally printed on the plate proofs located in the National Numismatic Collection in Washington, D.C.<sup>5</sup>

The method of manufacture was indicated by initials printed in the margins of the proof sheets. The accompanying picture shows the margins from the proofs of 1934 \$10 Chicago plates 31 to 35, along with two kinds of initials: "CI" and "CS."

The CIs are on the "normal" 1934 plates 31 and 35 (nos. 31059 and 31208), and identify them as chrome-coated electrolytic iron plates—the common process for making the 1934 plates. Electrolytic plates were made by depositing by electrolysis a thin layer of metal onto a template master plate, then peeling off the deposited plate and attaching it to a steel backing.

The CSs are on the proofs from the 1928D-turn-1934 plates 32, 33, and 34 (nos. 30653-5), and identify them as chrome-coated steel-roll transfer plates—the method used for the 1928D plates. Here, a hardened roll holding a complete image of a \$10 1928D face was impressed into a steel plate 12 times, imparting the image exactly each time.

Clearly, the CS initials show the 1928D plates were all but finished and could easily be converted into 1934s. Because the only difference was in the series dates, technicians simply removed the "Series of 1928D" and entered "Series of 1934." Once completed, they etched the plate serials, certified the plates for production, and sent them to the plate vault for eventual use.

### Acknowledgments

The Professional Currency Dealers Association and Society of Paper Money Collectors provided support for this research. Peter Huntoon provided scans of currency proofs from the National Numismatic Collection.

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1934 letter to Henry Morgenthau, Treasury Secretary, about changing the obligation clause on 1928 \$10 Federal Reserve Notes: Bureau of Public Debt, Series K Currency, Record Group 53, box 12, file 721: National Archives and Records Administration, College Park, Maryland.

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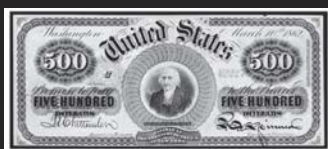


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Figure 2.

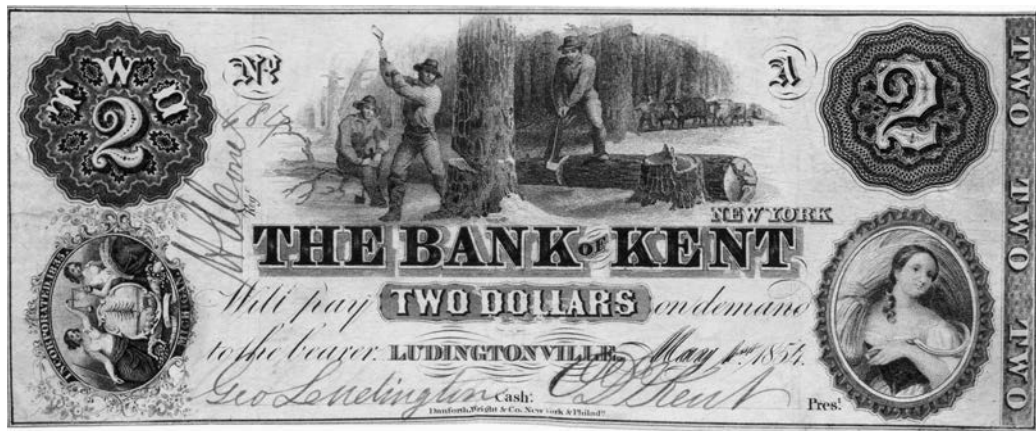


Figure 3.

Washtenaw, MI to appear as a NY note (Figure 2). Notice the MI state seal on the left (Figure 3). I also have a \$5 bill on the Bank of Commerce, Carmel, NY (Figure 4). This was a non-existent bank, whose notes were intended to pass for the legitimate Bank of Commerce of Putnam County.

If such examples of counterfeiting and illicit notes can be found in such a small county, imagine how rampant the problem was in the nation as a whole. The Federal Government assumed the responsibility for protecting our currency starting with the first Greenbacks, a mission continued to this day with the redesigned \$100 dollar bill. The acceptance of our currency worldwide is a testament to the relative success of our nation's efforts to avoid the monetary minefields of our past.

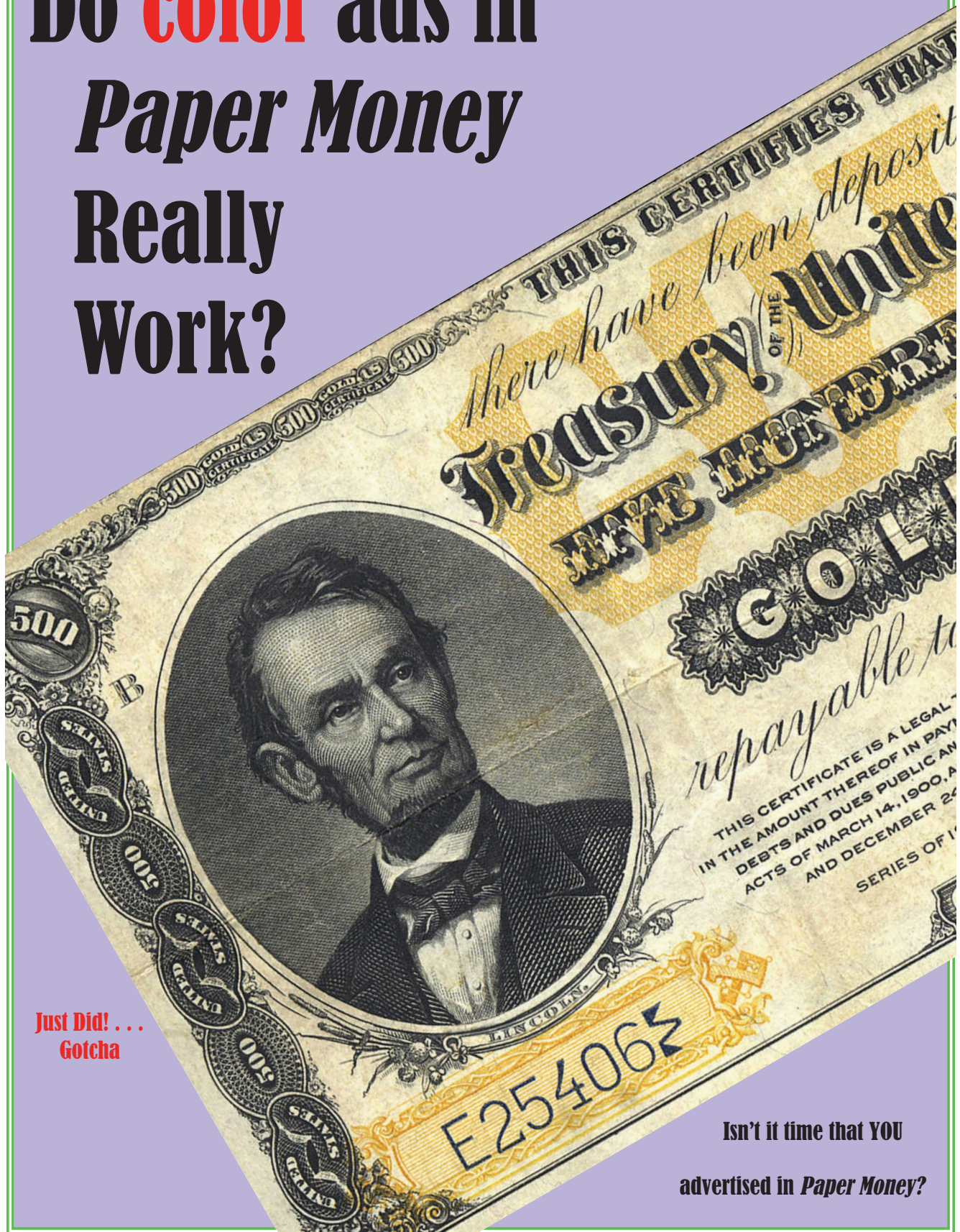
Figure 4.



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# The Experimental X-Y-Z Series of 1928 \$1 Silver Certificates

By Jamie Yakes

**I**N 1932, TREASURY OFFICIALS INCREASED THE COTTON CONTENT of currency paper to determine whether that would improve the wearing quality of the paper. This resulted in the Series of 1928A and 1928B \$1 Silver Certificates with out-of-sequence X-B, Y-B, and Z-B serial numbers printed and issued during 1933.

The experiment proceeded at the request of two Congressmen, Representatives Joseph W. Byrns (Tenn.) and William R. Wood (Ind.). During the 1932 hearings of the House Committee on Appropriations, they suggested the Treasury "consider introducing additional cotton into [currency] paper for two reasons—in order to secure paper at a lower cost and in order to use a greater percentage of domestic material."<sup>1</sup>

Cotton rags and linen rags are the raw materials for currency paper. In the years leading to 1932, linen rags had cost more than cotton rags, but by the summer of that year the prices were nearly identical. This negated any significant cost savings the Treasury might realize from increasing the cotton content of currency paper. The only benefit, then, would be to consume more cotton—the "domestic material" described by Byrns and Woods. Exactly why the two men wanted to increase the consumption of cotton is unclear.

Feeling "committed to do so" for Byrns and Woods,<sup>2</sup> in August 1932 Public Debt Service Commissioner William S. Broughton, Bureau of Engraving and Printing (BEP) Director Alvin W. Hall, and Assistant Treasury Secretary James H. Douglas decided to proceed with the experiment. Specifically, it consisted of one group of notes printed on an experimental lot of currency paper made of 50% linen and 50% cotton, numbered and circulated alongside two separate groups printed on standard currency paper made of 75% linen and 25% cotton.

The BEP printed a total of 31,224,000 X-B, Y-B, and Z-B notes, about evenly divided between the three paper types. The Federal Reserve Banks released them into circulation during the summer of 1933. The experiment ended the following April, with inconclusive results: Increasing the amount of cotton had yielded a paper no better than what was currently being used.

## X-Y-Z Notes from Print to Circulation

The distinctive currency paper in use since 1924 was composed of 75% linen and 25% cotton.<sup>3</sup> Treasury officials deviated from this on August 16, 1932, when Douglas authorized Crane & Co., Inc., to manufacture and deliver one million sheets of special 50% linen-50% cotton paper, along with a separate order of one million sheets of regular currency paper to serve as a control during production.<sup>4</sup>

Crane obliged and manufactured both lots from September 12 to 17th.<sup>5</sup> They delivered product to the Treasury from September 29 to October 7, in groups that totaled 909,000 sheets of special paper and 869,000 sheets of regular paper. To identify each lot, they clipped one corner off the special and two from the regular paper; these were removed when the paper was trimmed before plate printing.

On October 8, Broughton provided Hall specific instructions for conducting the experiment.<sup>6</sup> After aging the paper, Hall was to simultaneously print and number three "special lots of Silver Certificates—one lot on 50 percent cotton paper, another lot of standard paper manufactured at the same time as the 50 percent paper, and a third lot on standard paper manufactured at a different time." The third lot was regular paper from the BEP's seasoned paper inventory.

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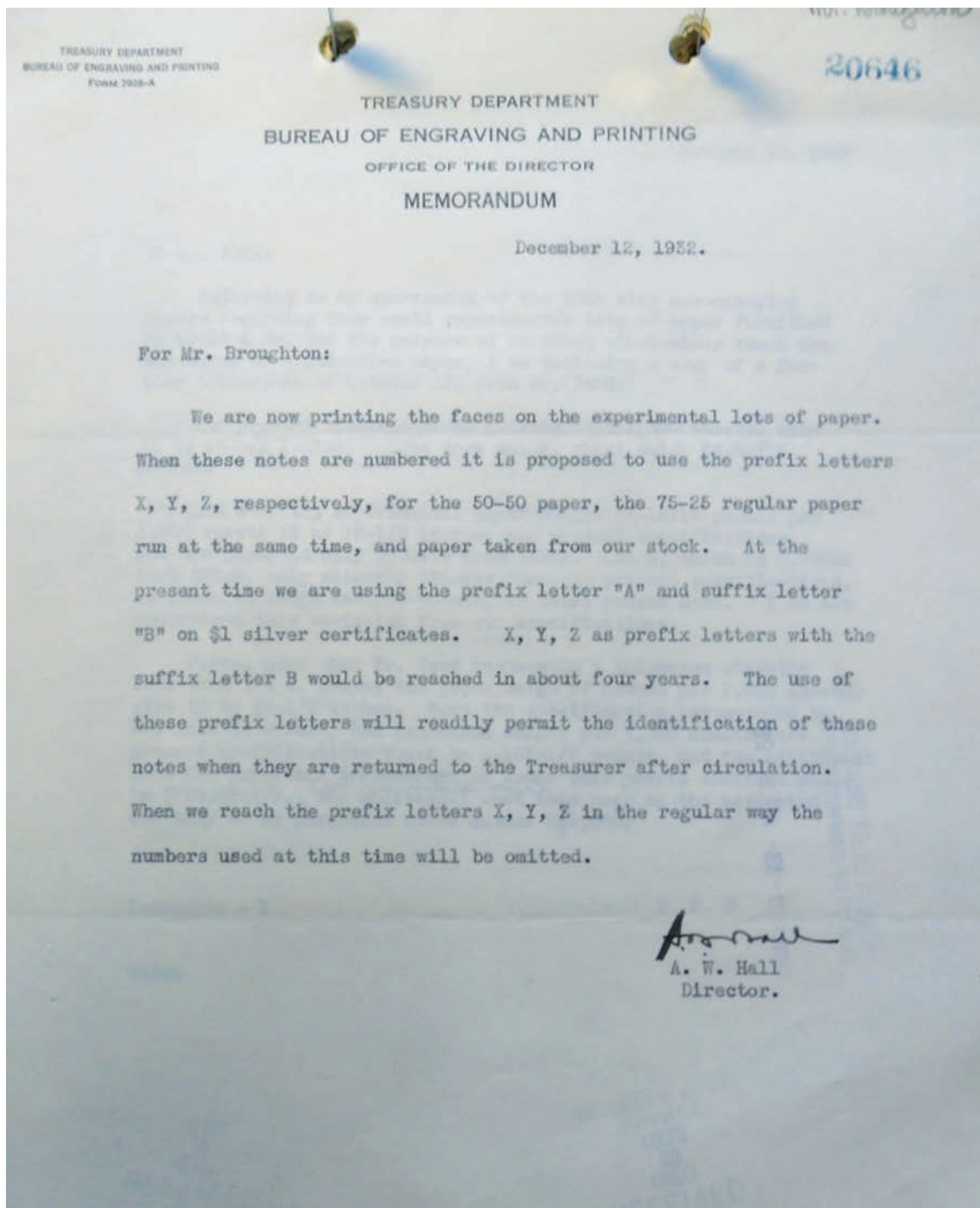


Figure 1. BEP Director Alvin Hall's December 1932 letter to PDS Commissioner William Broughton summarizing Hall's decision to number the Series of 1928 \$1 experimental Silver Certificates with then-unused X-B, Y-B, and Z-B serials. (Treasury Department Files, National Archives)

Broughton chose \$1 notes because the Treasury issued more of those than all other denominations combined. Also, the average \$1 note was replaced after circulating for nine months, which conveniently ensured that enough notes from each experimental group should be redeemed to accurately study how circulation affected the condition of each paper.

After printing the backs, the BEP began face printing all three types of sheets with Series of 1928A and 1928B \$1 Silver Certificate faces on December 12, 1932.<sup>7</sup> The sheets immediately moved to serial numbering with three unused serial number blocks: X-B for the special paper, Y-B for the regular paper, and Z-B for the seasoned regular paper (Figure 1). Those blocks readily identified the experimental notes when they were returned to the Treasurer after circulation. At the time, normal \$1 Silver Certificates were being numbered with A-B serial numbers.



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Figure 2. A fascinating matched set of serial number 22 experimental Series of 1928A and 1928B \$1 Silver Certificates. (Courtesy of Rob McGowan)

The BEP delivered the finished notes to the Treasurer's custody between January 30 and February 28, 1933, as follows: (a) 10,728,000 special-paper notes with serials X00000001B-X10728000B; (b) 10,248,000 regular-paper notes with serials Y00000001B-Y10248000B; and (c) 10,248,000 seasoned-paper notes with serials Z00000001B-Z10248000B<sup>8</sup> (Figure 2). The notes were allowed to season, or age, during the spring in a standard process that enhanced the wearing qualities of the paper.

Starting in June, Broughton informed the Federal Reserve banks of the experiment and how they would be involved. He instructed each bank to issue the X-B, Y-B, and Z-B notes to the exclusion of other \$1 notes commencing at the start of the next fiscal year. As the notes came in for redemption, the banks were to report "any exceptional wearing qualities, either favorable or unfavorable" they had noticed.<sup>9</sup>

That same month, the Federal Reserve Board apportioned the notes among the Federal Reserve districts and their branches<sup>10</sup> (Table 1). The Treasurer immediately began distributing the notes to the each bank and completed the shipments by mid-July. About half of the notes went to New York and Chicago. On July 1, the banks began releasing the notes into circulation.



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50	1963-A	2	\$1000.00
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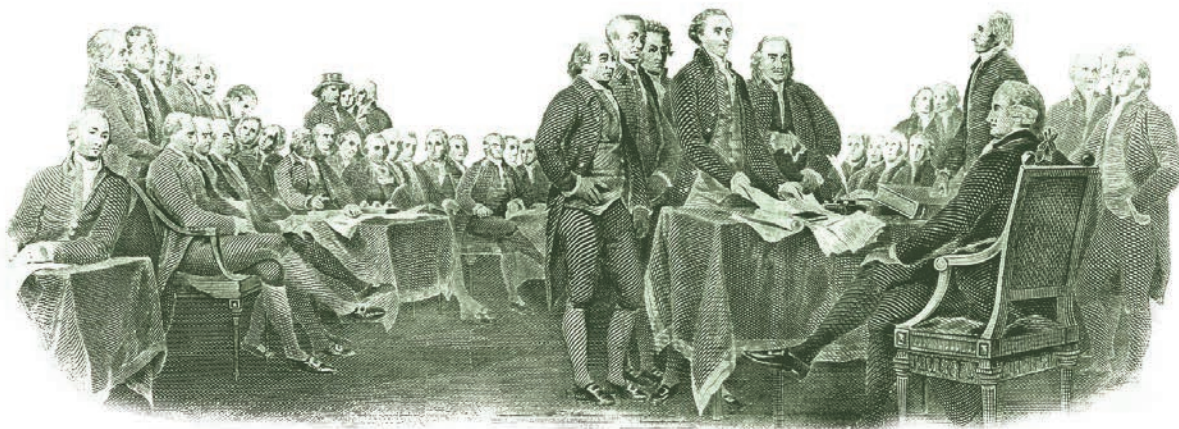


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**Table 1. Quantities of X-B, Y-B, and Z-B block Series of 1928A and 1928B \$1 Silver Certificates apportioned to each Federal Reserve district in June and July 1933. Quantities are presumed to be evenly divided among the three blocks.**

District	Notes
Boston	2,556,000
New York	8,868,000
Philadelphia	2,844,000
Cleveland	1,944,000
Richmond	1,512,000
Atlanta	1,656,000
Chicago	5,424,000
St. Louis	1,680,000
Minneapolis	588,000
Kansas City	936,000
Dallas	864,000
San Francisco	1,572,000

Immediately, Broughton began fielding inquiries about the notes from bank officials. "Our assorting departments are beginning to pick up occasional notes of this series in currency deposits," wrote F. E. Cobun, Assistant Cashier of the Cleveland Federal Reserve Bank, on July 11. Cobun then asked for advice on how to proceed. Because the notes needed to circulate as long as possible, Broughton advised him to recirculate the fit notes, and withhold the unfit for eventual return to the Treasury.<sup>11</sup>

To eventually conclude the experiment, Broughton ordered the banks, beginning in September and then monthly thereafter, to begin forwarding lots of 100 unfit and fit notes of each type to the Treasury's Redemption Division.<sup>12</sup>

### Treasury Officials Review the Results

On January 31, 1934, with the paper orders for fiscal year 1935 coming due, Broughton contacted Hall about reaching "a definite conclusion" regarding the experiment.<sup>13</sup> Hall concurred and the men decided on two courses of action using the notes turned into the Treasury. First, the BEP would do some basic technical tests on the selected examples. Second, the Bureau of Standards (BS), a branch of the Commerce Department, would perform a more detailed examination.<sup>14</sup>

The BEP conducted its tests during February. They tested the notes for bursting strength, which measures resistance to rupture, and tensile strength, which measures the longitudinal strain that can be applied before the paper tears.<sup>15</sup>

The Z-B notes received the highest marks for strength among unfit and fit notes, and the X-B notes proved better than the Y-B notes. Because the X-B and Y-B papers were the experimental targets, Hall considered the report "favorable to the [X-B] paper." His conclusion was perhaps premature, because the BS had yet to provide its conclusions.

Broughton had contacted BS Director Lyman J. Briggs on February 1 to inform him of the paper experiment ongoing since July and to request that his department test some examples.<sup>16</sup> One month later, on March 2, Briggs provided Broughton the results.<sup>17</sup>

BS had tested for characteristics directly proportional to the amount of wear. These included stiffness, or how much handling the note has endured; "air permeability," or how separated the fibers of the paper have become from handling; the aforementioned bursting strength; and the amount of gloss remaining, which indicates the degrees of surface impairment from handling.

They quantified the results from each of the tests, grouped the notes according to paper type, and then classified each group of notes as either fit or

unfit. Their hope was to classify them as would the Redemption Division. Encouragingly, BS's fit and unfit classifications matched Redemption's.

The primary goal of the experiment, however, proved inconclusive. "One could not conclude definitely from these data that one series is more serviceable than another," said Briggs in the BS's final report.<sup>18</sup> It turned out that neither the X-B, Y-B, nor Z-B notes had shown any favorable advantage in durability in circulation. Compared to the standard paper, increasing the amount of cotton had caused no significant improvement in the wearing quality of the paper.

With the results inconclusive, Broughton decided to retain the standard 75% linen-25% cotton makeup of distinctive currency paper. He officially ended the experiment when he directed the banks to cease segregating the notes from their redemptions as of April 30, 1934.<sup>19</sup>

### Acknowledgments

The Society of Paper Money Collectors and the Professional Currency Dealers Association provided support for the research. Peter Huntoon proofread this article for improvements. Lee Lofthus provided information that supplemented this research.

### End Notes

1. Broughton to Hall, August 9, 1932.
2. Ibid.
3. U.S. Treasury, 38.
4. Douglas to Crane, August 16, 1932.
5. Crane to Broughton, October 5, 1932.
6. Broughton to Hall, October 8, 1932.
7. Hall to Broughton, December 12, 1932.
8. Broughton to Woods, February 17, 1933; Hall to Broughton, February 28, 1933.
9. Broughton to Boston Federal Reserve Bank, June 14, 1933.
10. Smead to Broughton, July 11, 1933.
11. Cobun to Broughton, July 12, 1933.
12. Broughton to Federal Reserve Banks, July 14, 1933.
13. Broughton to Hall, January 31, 1934.
14. Hall to Broughton, January 31, 1934.
15. Hall to Broughton, February 14, 1934.
16. Broughton to Briggs, February 1, 1934.
17. Briggs to Broughton, March 2, 1934.
18. Briggs to Broughton, March 2, 1934.
19. Broughton to Federal Reserve Banks, April 23, 1934.

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# Last Call: 12th Annual George W. Wait Memorial Prize

## Society of Paper Money Collectors Official Announcement

**Purpose:** The Society of Paper Money Collectors is chartered “to promote, stimulate, and advance the study of paper money and other financial documents in all their branches, along educational, historical and scientific lines.”

The George W. Wait Memorial Prize is available annually to assist researchers engaged in important research leading to publication of book length works in the paper money field.

George W. Wait, a founder and former SPMC President, was instrumental in launching the Society’s successful publishing program. The George W. Wait Memorial Prize is established to memorialize his achievements/contributions to this field in perpetuity.

**Award:** \$500 will be awarded in unrestricted research grant(s). Note: the Awards Committee may decide to award this amount to a single applicant, or lesser amounts totaling \$500 to more than one applicant. If, in the opinion of the Awards Committee, no qualifying applicant is found, funds will be held over.

**Prior Award Winners:** Both individuals and groups have been awarded the Wait Memorial Prize. Each received the maximum award. 1st annual Wait winner was Robert S. Neale for a book on antebellum Bank of Cape Fear, NC. The 2nd went to Forrest Daniel for a manuscript on small size War of 1812 Treasury Notes, published posthumously in our S/O 2008 issue. Gene Hessler was honored for a book on international bank note engravers. Honorees also included R. Shawn Hewitt and Charles Parrish for a book on Minnesota obsolete notes, Michael Reynard for a book on check collecting, Matt Janzen on Wisconsin nationals, Tom Carson and Dennis Schafluetzel on Tennessee scrip, J. Fred Maples on Maryland banknotes, and Fred Schwan on World War II Allied Military Currency.

**Eligibility:** *Anyone engaged in important research on paper money subjects is eligible to apply for the prize.* Paper Money for the purposes of this award is to be defined broadly. In this context paper money is construed to mean U.S. federal currency, bonds, checks and other obligations; National Currency and National Banks; state-chartered banks of issue, obsolete notes, bonds, checks and other scrip of such banks; or railroads, municipalities, states, or other chartered corporations; private scrip; currency substitutes; essays, proofs or specimens; or similar items from abroad; or the engraving, production or counterfeiting of paper money and related items; or financial history in which the study of financial obligations such as paper money is integral.

**Deadline for entries:** March 15, 2014

A successful applicant must furnish sufficient information to demonstrate to the Society of Paper Money Collectors Awards Committee the importance of the research, the seriousness of the applicant, and the likelihood that such will be published for the consumption of the membership of SPMC and the public gener-

ally.

The applicant’s track record of research and publication will be taken into account in making the award.

A single applicant may submit up to two entries in a single year. Each entry must be full and complete in itself. It must be packaged separately and submitted separately. All rules must be followed with respect to each entry, or disqualification of the non-conforming entry will result.

**Additional rules:** The Wait Memorial Prize may be awarded to a single applicant for the same project more than once; however awards for a single project will not be given to a single applicant more than once in five years, and no applicant may win the Wait Memorial Prize in consecutive years.

An applicant who does not win an annual prize may submit an updated entry of the non-winning project in a subsequent year. Two or more applicants may submit a single entry for the Wait Prize. No members of the SPMC Awards Committee may apply for the Wait Memorial Prize in a year he/she is a member of the awarding committee.

Winner agrees to acknowledge the assistance of the Society of Paper Money Collectors and the receipt of its George W. Wait Memorial Prize in any publication of research assisted by receipt of this award and to furnish a copy of any such publication to the SPMC library.

### Entries must include:

- the full name of the applicant(s)
- a permanent address for each applicant
- a telephone number for each applicant
- the title of the research project/book
- sufficient written material of the scope and progress of the project thus far, including published samples of portions of the research project, if appropriate

### Entries may also include:

- the applicant’s SPMC membership number(s)
- the applicant’s e-mail address (if available)
- a bibliography and/or samples of the applicant’s past published paper money research
- a photograph of each applicant suitable for publicity
- a publishable photograph(s) of paper money integral to the applicant’s research
- a statement of publishability for the project under consideration from a recognized publisher

**Judging:** All entries must be received by March 15, 2014. All entries must be complete when submitted, and sufficient return postage should be included if return is desired. Address entries to SPMC, attn. Fred Reed, George W. Wait Memorial Prize, P.O. Box 118162, Carrollton, TX 75011-8162.

The single, over-riding criterion for the awarding of the Wait Memorial Prize will be the importance of publication of the applicant’s research to SPMC members and general public. All decisions of the Awards Committee will be final.

Announcement of the awarding of the Wait Memorial Prize will be in the May/June 2014 issue of *Paper Money*. ❖

- Record Group 53/450/54/02/01, box 4, file F330, National Archives and Records Administration, College Park, Maryland.
- \_\_\_\_\_. June 14, 1933 letter to Boston Federal Reserve Bank, discussing experimental currency paper used from 1932-1934: Bureau of Public Debt Files, Series F Currency, Record Group 53/450/54/02/01, box 4, file F330, National Archives and Records Administration, College Park, Maryland.
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- \_\_\_\_\_. February 28, 1933 letter to William S. Broughton, Bureau of Public Debt Commissioner, discussing experimental currency paper used from 1932-1934: Bureau of Public Debt Files, Series F Currency, Record Group 53/450/54/02/01, box 4, file F330, National Archives and Records Administration, College Park, Maryland.
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## Draft of SPMC's revised Book Publishing Policies

The Society of Paper Money Collectors, Inc. [the "SPMC"] is chartered to advance the hobby through education. A key articulation of its fulfillment of this mission is the help it has provided over the decades to authors interested in publishing books whose principal subject matter relates to the study of paper money, fiscal documents and/or related history. In many cases, these books are works whose publication is not warranted from a commercial perspective, due to either the costs of production or ultimate size of print run, but which are deemed important to the hobby.

Neither the SPMC nor its officers nor the members of the SPMC Book Committee are professional publishers and historically have not had adequate free time to become publishers and or project managers for these books. As a result, any prospective book author must be prepared to be a driving force throughout the project. However, the SPMC recognizes that it can be a significant partner to any author looking to publish specialized works for the hobby, providing a variety of forms of help, advice, direct, non-recoverable grants, production funding, and marketing help.

The following represents an effort to clarify the roles and processes which have historically proved successful in the roughly 40 previous books published by the SPMC. The Society recognizes that every publication is created for a different audience, in a different environment, with unique authorship, and as such, recognizes that the following can only represent a general starting point for a successful partnership.

The Society views its partnerships with authors as [generally] falling into three phases: the Authorship Phase, the Pre-Publication Phase, and the Publication Phase. It is highly recommended that any author considering approaching the SPMC for assistance involve the Society as soon as possible.

**Authorship Phase:** This phase can generally be thought of as the creative phase, in which the work is written, and brought to the point of pre-publication readiness.

- The author is responsible for writing the book. SPMC members and other individuals may function as editors and reviewers, subject to their and the author's desire.

- The author should use a format that may be readily converted into camera-ready PDF, InDesign or Quark (Ready-to-Publish format). Microsoft Word or some other format that can be converted to Rich Text Format input into Microsoft Word are likely choices.

- Pictures will need to be identified and delivered to an editor/layout person separately from the Word document. 300 dpi, 100% size scans or photographs are the minimum recommended resolution and size. Blow-ups or magnified close-ups should be scanned at 600 dpi [100% true size] or 400 dpi if already at the desired level of magnification (200%, 300%, etc.). At any rate, 300dpi is the absolute minimum. US Federal note scan/picture requirements will need to be met. Photographs of notes are discouraged.

- The author and/or his/her financial sponsors are responsible for getting the book edited, laid out, and prepared for publication in a Ready-to-Publish format. This includes preparation of the images and text of the front and back cover, as well as arranging for an ISBN number. (The SPMC can assist with contacts and procedures for this).

**Pre-Publication Phase:** As soon as is practically possible, the author and/or his/her financial sponsors are requested to submit a proposal to the SPMC Book Committee. That proposal would ideally include the following information:

- Proposed Title for the book; • Authorship; • Number of pages;
- Anticipated or suggested format, i.e., 6" x 9", 8.5" x 11", or other, color or black and white or some combination thereof
- Whether issuance in DVD and/or eBook (e.g., Kindle, Nook,

iPad) format is a meaningful alternative or additional possibility

- Proposed number of copies to be printed
- The "value proposition" for the intended purchaser, i.e., "Why would someone want to buy this book?"

- Clarification as to who will own the copyright – the SPMC or the author[s].

- The intended retail price. Generally, SPMC publications have been discounted [per industry norms] by 40% to dealers who order 3 or more copies, and by 55% to wholesalers ordering by the case quantities. Buyers [retailer, dealer or wholesale] pay shipping.

- A very basic marketing plan, i.e., which dealers, wholesalers and/or retailers can be expected to sell the book and why. While the SPMC will promote the book through its journal, its website and other channels, the role of and support of the author[s] is critical, and their plans for their own advertisements and/or web related sites or activities is important to us.

It is the responsibility of the author(s) to ensure that no violations of third party copyrights occur with respect to any text, photograph, or other image or material contained in the book. It is similarly the responsibility of the author(s) to solicit, obtain and maintain any and all releases necessary to the publishing of the work.

Upon receipt of the proposal, the SPMC will endeavor to get printing estimates, from domestic and international suppliers, including any suggestions from the author[s]. In addition, the SPMC will seek out a logistics provider to house inventory, and handle wholesale and dealer orders, which the SPMC will also fund. After all costs have been identified, the SPMC will incorporate the sales estimates and proposed price, and review the complete proposal.

If the project proceeds, a contract between the author(s) and SPMC will be negotiated. The SPMC will underwrite some to all of the cost of the printing and shipping expense, depending on the business case. To the extent that the cost of publishing the book is recouped over time, the health of early sales is critical [generally half of a specialized currency book's sales occur in the first four months of sale]. In order to reduce the Society's financial risk and exposure to inventory, authors are strongly encouraged to consider their own willingness to support the project in the form of a commitment to purchase a portion of the book's print run [at 45% of the cover price (wholesale price)] with the understanding that the author's subsequent sale of those books will not be discounted below a certain price until the SPMC's inventory has been fully liquidated.

If the feasibility of a print book is questionable other alternatives may make sense – e.g., a DVD, or eBook.

**Publication and Sales Phase:** Once all necessary clarifications are in place, the parties proceed to contract. Unless other arrangements are made, the author remains the project manager, and will drive the printing, rollout and supplying the logistics firm. The SPMC can continue throughout this phase to provide the author with any necessary contacts or advice.

Upon delivery of the books, sales activities begin. Receipts for book sales flow to the SPMC's Treasurer for deposit to the SPMC's accounts to replenish the publication fund's expenditures to publish and print the book. Upon full reimbursement of SPMC expenses, additional proceeds will be delivered per the publishing contract.

**In Closing:** The SPMC is vitally interested in encouraging and assisting potential authors with publications. The foregoing is intended as a clarification of the ways in which the Society can advance the hobby through education. We are vitally interested in hearing from the author community about ways in which we can be more helpful. Comments or questions are encouraged, c/o Pierre Fricke, P.O. Box 1094, Sudbury, MA 01776 or pfricke@csaquotes.com. ♦

## Jane Austen For Love and Money

When the Bank of England announced last July that Jane Austen would replace Charles Darwin on the ten-pound note beginning in 2017, a minor storm broke out on Twitter as opponents of the decision attacked Caroline Criado-Perez, a feminist advocate for the change, in quite crude and vicious terms. The previous year, when Winston Churchill was chosen to replace the social reformer Elizabeth Fry on the five, popular demands for redressing the gender imbalance led incoming Bank of England Governor Carney to approve Austen as a *quid pro quo*.

Of course, Her Majesty the Queen appears on the other side of every note in any case, so one wonders what the fuss is about. Still, during this year, the 200th anniversary of the publication of *Pride and Prejudice*, it is worth remembering again just what makes Austen such an apt figure to grace British currency.

Though banknotes themselves play no discernible role in Austen's novels, the Georgian gentry whose mores and foibles she chronicled evinced a snobbish yet philistine regard for the money value of social position. Individuals' statuses and their social prospects were rated according to what wealth they possessed or income they commanded. Marriage itself was the cen-



## Chump Change Loren Gatch

tral strategic decision by which men and (particularly) women sought to better their social position. The famous first line of *Pride and Prejudice* is: "It is a truth universally acknowledged, that a single man in possession of a good fortune must be in want of a wife." As Fanny Price says in *Mansfield Park*, "marriage is indeed a maneuvering business."

Money defined the social hierarchy of the Regency Era, and each person's position within the gentry was common knowledge. One hundred pounds a year was the lower limit of respectability; as Mrs. Jennings tells Edward Ferrars and Lucy Steele (*Sense and Sensibility*) that amount would barely be enough to get married on. Colonel Brandon is quite comfortable with £2000, though Mr. Bennet (*Pride and Prejudice*) strains to support his large family on the same amount.

At £10,000 a year, Mr. Darcy's income is sufficient to make him indifferent to money. Again in Fanny's words, "a large income is the best recipe for happiness I ever heard of," even though the most appealing of Austen's heroines (think Elizabeth Bennet, or Fanny Price herself) are those who stumble into love despite the pecuniary prejudices of their social class. ♦

## The Editor's Notebook

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## Three cheers for author grants!

A news release regarding my latest book effort, *Civil War Stamp Envelopes, the Issuers and Their Times*, appears elsewhere in this issue. It's a good book, took me parts of six years, and since I wrote the news release I'll not belabor its contents here. One point that I will add, however, is that the limited printing of the hard covered, case-bound books may be sold out by the time you read this, so an inquiry would be prudent, in case I decide NOT to go back to press with that version. There will be ample soft covered, perfect bound books, however, if that is your preference.

What I really want to address is the new trend in the numismatic hobby of various groups providing grants to authors to "grease" the skids, so to speak, in the difficult and uncertain journeys that numismatic books tend to take. Most book hopes dash. I've helped some authors achieve goals, but if I had a nickel for every book "in progress" over 40 years, I'd be a rich man indeed.

I applaud this trend since I have been the recipient of several grants from the American Numismatic Association, Central States Numismatic Society and our Society of Paper Money Collectors over the years that have materially assisted me in finishing my book projects. They might not have been finished without these boosts! See Page 475 for the "first call" for the SPMC George Wait Award.

The other day, my longtime colleague Wayne Homren, commented on the wonderful day in which we are living in which numismatic titles are proliferating. Wayne was a critical comrade in helping me do my first freelance numismatic book in the 1980s, and has gone on to become the wonderful purveyor of the weekly electronic newsletter, *E-Sylum*. That electronic adjunct of the Numismatic Bibliomania Society keeps rather good postings on the comings and goings of new numismatic titles, as well as research in many (albeit sometimes arcane) aspects of numismatic research. I'd encourage all readers of this publication to contact him at whomren@coinlibrary.com to get signed up. It's FREE!

My *Bible* also reminds me, "Of making many books there is no end, and much study wearies the body" (*Ecclesiastes* 12:12). As someone who has just finished a book, I can attest to a real weariness that sets in when the task is finally done. Adrenalin helps one persevere, and funds in the way of grants help fuel the completion of numismatic books, but the irrefutable fact is that most numismatic titles have short sales horizons and as any author will tell you were mostly labors of love, ... with heavy emphasis on "labor."

Telling the story of the objects that fascinate us is the common denominator behind most numismatic titles. Our tastes are diverse, our means are disparate, our abilities vary also, but the drive to "put our thoughts" down on the historical record in this semi-permanent manner through the researching, writing, editing and publishing of numismatic books is worth the doing, and those Societies like those mentioned should be commended for furthering numismatic education in this very productive manner. Hip! Hip! Hooray! ♦

## Stop using the t-word

With regard to the dollars of government, we've recently and not infrequently been hearing the word trillion, a word repeated so often that we've grown desensitized to how much it really is. Well, there's a million, then a billion, then a trillion, right? What's the big deal?

There are infinite ways of illustrating the enormity of a trillion, whether it be in cents, seconds or whatever unit of measure you choose. I'll make up my own, using dollars, a trillion-dollar idea so to speak, featuring fun, the great outdoors and community spirit. I expect, however, it will go where most of my ideas go to fester and be forgotten, a bone yard of possibilities where some imaginative musings are left to rust.

Perhaps on a future date—let's say September 1, 2014 -- every American goes outside (hope it's sunny everywhere!) and



forms a line with his neighbors. Granted, there will end up being a lot

### Paul Herbert *Don't get me started*

of lines and most of them will zigzag and curve a bit. Rivers, highways and other obstacles will make it difficult to form unbroken lines, but I've selected a date far enough in the future so really smart people can figure out how to get it done. Each person has exactly one dollar bill on his/her possession -- in their pocket, taped to their shirt, it doesn't matter. We stretch our arms out and try to connect, Michelangelo-like, with the people on either side of us, so we 315 million people with outstretched arms can be seen from outer space, or at least from the hovering helicopters of the local news stations. Every man, woman and child in America, with \$1 each totals \$315 million, a lot of money indeed, but nowhere near a trillion. Even if each person held up a \$50 bill or a \$100, it still wouldn't get close. To reach a trillion dollars, each person would have to have about \$3,174. And that's just for one trillion. Every time we hear or read the t-word, it loses a little more of its impact. Maybe we should stop using the word altogether and replace it with, "Every person in America, with \$3,174 each."

If you took every man, woman and child on the entire planet you would be at about seven billion, still a very long way from a trillion. I wonder when we'll get to a quadrillion dollars. When we do, will it also become just another overused word meaning a lot of zeros? ❖

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